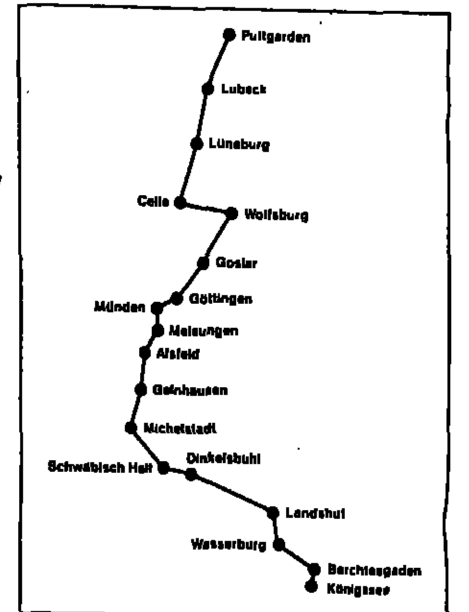
Routes to tour in Germany

The German Holiday Route – from the Alps to the Baltic



The German Tribune

Hamburg, 2 October 1988
Twenty-seventh year - No. 1341 - By air

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IMF and World Bank not quite the villains of the piece

Süddeutsche Zeitung

Few of the critics of the IMF and the World Bank, which are meeting in Berlin, know what they are talking about, but that doesn't stop them from talking.

To hear them, you would think the delegates are nothing but the worst kind of evildoers from all over the world, people whose impenetrable financial machinations are aimed at prolonging the colonial era.

The opposite is the case. The International Monetary Fund and the World Bank were set up in Bretton Woods in 1944 to help.

They lend, and partly give away, money *earned* by working people in the industrialised countries, as opposed to those who for years have preached, from comfortable academic chairs, the merits of a new economic order.

What they preach tends to foster fond illusions that we are living in a land flowing with milk and honey in which the pennies fall from heaven.

The present economic system may not be the best, but it does at least still work, and that is largely to the credit of the IMF and the World Bank.

No-one who calls to mind the experience in the late 1920s as a result of which the two organisations were set up will for one moment regret their existence.

In the late 1920s and early 1930s nearly every country had to crack down on imports for lack of foreign exchange, each stalling the other and triggering a worldwide depression.

This has not been repeated, and the system even survived last October's stock market crash.

That isn't to say that the financial experts have made no mistakes. But they aren't the only ones. The loan donors and recipients who are so busy lamenting the debt crisis would do well to remember that they themselves are mainly to blame.

The developing countries have irresponsibly accepted loans provided, equally irresponsibly, by the donor banks.

The IMF and the World Bank were often disregarded in these transactions — largely because they are statutorily obliged to take a closer look at conditions and terms.

The Berlin meeting cannot solve the sovereign debt problem. Costly jumbo sessions of this kind, the sense and purpose of which are open to dispute, are incapable of action. They are merely a waste of money.

That aside, there can be no such thing as a generally valid solution; only solutions tailor-made to suit the individual case.

By remitting the debts of poor African countries Bonn has more or less shown what form a differentiated approach can take, as alternative economists have, incidentally, conceded.

What the World Bank has accomplished in development policy, which is by no means the sole prerogative of the IMF, which is mainly responsible for handling payments crises, is far from insignificant. Yet aid has for years been channelled in the wrong direction, neglecting trade and agriculture and concentrating on building industrial complexes. This may in many cases have been in keeping with what the developing countries themselves wanted.

The Rourkela steelworks in Bihar, India, was an early symbol of this mistaken approach, which has since been abandoned.

In its day, however, it was given preference by emerging states keen on steelworks, dams, airlines and suchlike prestige objects.

They too have since learnt their lesson, paying a high price in terms of famine.

Help to self-help is the basis of development aid today, and rightly so. But the World Bank badly needs new funds to be able to finance it.

It is regrettable that the United States, itself now the world's most heavily indebted country, has seen fit to stall on the generous increase in World Bank capital recommended by most other industrialised countries.

As Washington's viewpoint is unlikely to be revised before the US Presidential elections the Berlin meeting is unlikely to arrive at specific decisions. Much the same is true of the IMF. Given the international economic difficulties with structural adjustment, its paid-up capital ought long to have been increased. But here too the Americans are *stalling*.

As the IMF generally makes its loans subject to economic policy commitments it has been decried as a kind of international economic police force. It is nothing of the kind.

The IMF is duty bound to make sure that its loans — usually short-term, five-year bridging loans and not development aid loans — can be repaid, which ought surely to be a matter of course.

Its activities have been realigned since exchange rates have floated and it has no longer needed to make sure that fixed exchange rates are upheld.

It is now both a provider of loans and a coordinator of the debt crisis, which is a far cry from its original role.

It must also bear in mind the volatile flow of international capital, which is now on the move day and night as a result of state-of-the-art telecom technology.

Capital movements have long parted company with the flow of goods and services, both in pace and in extent, which partly accounts for fluctuations in the dollar exchange rate.

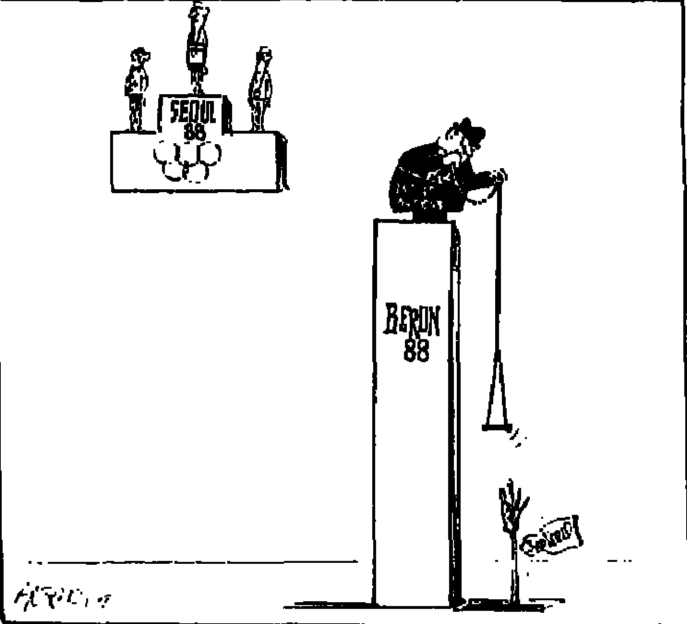
For this reason alone the IMF is keen to devise ways and means of ascertaining when an economy is going off the rails. Some such coordinating system could do no harm even if it were to lead only to observation and not to intervention.

In this case the IMF would indeed perform the role of a world policeman — on the industrialised countries' behalf.

But this surveillance theory must not be allowed to assume the importance that was attached in the 1970s to the locomotive theory, according to which a single leading industrialised country could lead the pack by pump-priming.

Flexible exchange rates since 1973 have fluctuated more than many might

Continued on page 9



Priorities. (Cartoon: Hanel/Frankfurter Allgemeine Zeitung)

Page 4: Ambush believed linked with IMF, World Bank meeting; Discarded machine gun stolen in Red Army Faction raid.

IN THIS ISSUE

Soviets take a long time to say nothing about Berlin's status

The Soviet leaders have taken nine months to reply to the memorandum in which the three Western powers proposed practical improvements to the situation in Berlin. But the reply evidently includes nothing new.

It shows perestroika, at least in foreign policy, to be a distinctly limited exercise that doesn't affect fundamental positions.

Soviet Berlin policy is one such fundamental position that has been unchanged for decades.

Its long-term aim is to neutralise West Berlin as a "free city," to reduce the Western Allies military presence in the city to a symbolic size and, eventually, to persuade the Allies to withdraw their forces from Berlin.

The West has fought the idea tooth and nail from the outset, with the result that Berlin was the coldest spot in the cold war and remains to this day the hard core of East-West confrontation.

Just like his predecessors, Mr Gorbachov refuses to regard West Berliners as citizens of the Federal Republic and neither acknowledges their West German passports nor agrees to Bonn's diplomatic missions in the Warsaw Pact representing them in consular matters.

Berlin members of the Bonn Bundestag are treated separately from their West German counterparts and treaties are held up because Moscow refuses to include West Berlin.

Why did the West have to wait so long for the Soviet reply? Presumably because the Kremlin leaders found the Western note far from easy to answer.

The further implication is that forces now exist in the Soviet leadership that favour a more flexible approach toward Berlin. That would certainly be a step forward.

Liselotte Müller

(Frankfurter Neue Presse, 19 September 1988)

■ WORLD AFFAIRS

Gorbachov and risks of the German card

Mr Gorbachov and his aides have yet to more than vaguely hint at what "new thinking" and "European house" mean, and how they would affect Germany.

It is clear that the Soviet leader views two theories as past history. One is the Soviet tenet that two nations now exist in the part of Europe once known as Germany.

The other is the idea that the only form the German Question takes is the one that was resolved in the treaties signed between 1970 and 1972.

"Everything is in a state of flux," Soviet officials now say, and history alone will tell what the situation will be in 100 years' time.

In the West this comment sounds like an ironic commentary on militant Marxist-Leninist rhetoric about the wheel of history. In the East it is more than mere speculation; it shows that the situation is being reappraised.

Nations, and with them the division of Germany, are a reality — or so "new thinking" would have it.

Further realities are the successful and continuing economic and political integration of Western Europe and the role played by the Americans in Europe as guarantors of security from Calais to Helmstedt.

If realism and withdrawal from over-extended commitments are characteristic of the methodical approach of "new thinking" — and the Afghanistan treaty and a new, pragmatic approach toward Israel and South Africa indicate that they are — then it is hard to imagine the Soviet Union ignoring the German Question.

Both history and geography rule out any idea of a Russian ruler disregarding Germany as the key to Europe.

Since Peter the Great, Catherine the Great and Alexander I, Russia has seen Germany as of crucial importance for both the projection of Russian power in Central Europe and for Russia's Imperial security and sense of self-importance.

The Brest Litovsk peace terms dictated to the Soviet Union in 1918 and the 1922 Rapallo treaty between the pariahs of Europe may have opened a new chapter, but subject to conditions that were the same as of old.

Both Russia and Germany were opposed to the West, and never more markedly than in the two years of the unholy alliance of the Ribbentrop-Molotov pact, signed in 1939 and operative until Hitler invaded the Soviet Union in 1941.

Stalin used to see an undivided Germany as the prerequisite for Soviet domination of Europe as a whole. But in 1945 he only gained control over half the country.

East Germany formed part of the policy of maintaining control over the western provinces of the Soviet empire and, once Western Europe had joined forces in Nato, was used against America as a hostage whenever an East-West crisis occurred.

The Soviet Union succeeded in consolidating this. What it now has in mind is the most important item on the agenda of world affairs.

Is it still intent on making Western Europe part of its sphere of influence by means of denuclearisation, displacement of the Americans and forcible canvassing of support?

Or is Moscow's aim to ensure long-term stability of the status quo and to maintain peace and quiet on the Western front?

Apart from the United States, no country carries greater weight in this connection than the Federal Republic of Germany.

Bilateral ties between Moscow and Bonn remain dependent on relations between America and Russia.

They also depend on a definition of interests the Soviet Union has concealed rather than clarified by its "European house" concept — and on relations between Moscow and East Berlin.

There is no prospect of a fresh version of the 1952 note in which Stalin offered Germany reunification in return for neutrality.

Anyone with expectations to the contrary has succumbed to the legend that Stalin's note was an opportunity not to be missed.

A Soviet leader who seriously proposes to play the German card must surely be doomed to failure on grounds of adventurism. Khrushchev's fall has not been forgotten.

Alternatively there must be a major European realignment under Soviet suzerainty, which the West cannot permit and the Germans can hardly want.

In either case it would mean Moscow surrendering East Germany, with unforeseeable consequences for Poland and Czechoslovakia that would be sure to step up unrest among Soviet nationalities. That too can hardly be expected to happen.

Unless, that is, the West were to make counter-concessions such as calling a halt to European integration and withdrawing US forces from Berlin and elsewhere, which the West could hardly consider desirable.

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If substantial, long-term alternatives between these two extremes are conceivable, they have yet to be shown to exist.

In point of fact the Soviet leaders are not ignoring the German Question; they have merely subordinated it to nuclear issues and thereby set it reverberating.

As a nuclear superpower and by being in a position to step up or slow down the pace of arms control the Soviet Union has other means of safely arranging its affairs in concert with the United States.

Yet Germany played a major role in medium-range missile disarmament and will continue to do so in all further moves toward conventional and nuclear arms control in Europe.

Soviet arms control diplomacy in Europe will only be done justice if it is seen as bearing the German Question in mind.

That is the true but unlisted agenda of relations between Bonn and Moscow. Their manner and framework must be developed so as to balance the military might of the East against the economic potential of the West.

Only then can predictability and stability be ensured in Central Europe, and only then can Germany be sure of leeway for negotiation and of carrying political weight.

Michael Stürmer

(Frankfurter Allgemeine Zeitung für Deutschland, 10 September 1988)

Moscow manoeuvres to gain an upper hand in Asia

The plan for Asia Mr Gorbachov outlined in Krasnoyarsk at the end of his tour of Siberia rounds off his attempts to stage a diplomatic offensive to ease domestic pressure.

His plan for the Far East and the Pacific perimeter of the Soviet empire goes into greater detail on Gorbachov's speech in Vladivostok in July 1986 and is characteristic of the consistence and confidence of Soviet foreign policy.

In place of threatening gestures, relations with the United States, Europe and now Asia are governed by flexible diplomacy on the basis of negotiations and with the appearance of being able to compromise.

It does pose a challenge to the United States as a naval power, and a challenge by non-naval means that is far from easy to answer because the nucleus of the Soviet plan is anything but a mere military tit-for-tat.

The Soviet naval base in Cam Ranh Bay in Vietnam and the US naval and air forces bases in the Philippines are the largest either superpower maintains outside its own borders.

They are of symbolic importance for the political presence of both in the region.

Mr Gorbachov's proposal for each side to shut down its respective bases has the propaganda advantage of being a graphic and apparently straight-forward arrangement. It is timed as a potential gift to the Asian nations assembled in Seoul for the Olympic Games.

Under America's protecting hand, they have regained self assurance and have either been economically successful, like Japan, South Korea, Taiwan and the Asean states, or are making economic progress, such as China.

The protection of the American military presence is no longer welcomed as a matter of course. At times, it is felt even to be a burden.

Import restrictions, nuclear policy and the extensive system of nuclear bases have drawn criticism from Australia to the Philippines and Japan.

Mr Gorbachov's aim is to make astute psychological use of this trend. Otherwise, he has nothing much to offer with which to gain a foothold in the Far East.

He offers his services as an understanding aide against American hegemonial power by proposing, in a soft and gentle voice, a freeze in nuclear naval potential in the region.

He also is calling for safety measures to prevent naval and air incidents and has revived the Brezhnev plan to transform the Indian Ocean into a zone of peace.

Conferences held by the various groups of states are to promote the security policy process.

The Soviet plan for Asia is thus comprehensive, but it has its emphases, the most significant being China, which has gained its authoritative and median role in Asia.

To be on good terms with China and offer the world as soon as possible the spectacle of a summit meeting with Deng Xiaoping is one of the objectives to which the "new diplomacy" has long aspired.

The "three obstacles" as seen by Peking — the Soviet military threat to the north, Soviet military support for Vietnam and Soviet military intervention in Afghanistan — are fast being eliminated.

In Krasnoyarsk, Mr Gorbachov referred to Kampuchea, from which the Vietnamese are beginning to withdraw, partly due to famine in Indo-China (as reported in the latest FAO foodgrain report) and partly due to Soviet pressure.

A second point of emphasis is Japan. In talks with the former Japanese Prime Minister, Mr Nakasone, in July, Mr Gorbachov hinted that Moscow might be prepared to hold negotiations on the return and demilitarisation of the four Kurile islands it has held since 1945.

High-ranking Soviet visitors to Japanese research facilities and the Japanese Socialist Party have made similar hints. The Soviet Union occupied the Kurile islands at the end of World War II and Japan has never tired of saying that any improvement in relations between Tokyo and Moscow must depend on their return.

During Mr Gromyko's tenure as Foreign Minister Soviet diplomats steadfastly refused even to discuss the issue, effectively preventing a rapprochement.

A major reason for Mr Gorbachov's interest in Japan is Tokyo's increasing arms build-up. Despite their constitutional restrictions the Japanese self-defence forces have been increased substantially in recent years.

Nominally Tokyo is not allowed to spend more than one per cent of GNP on defence, but in effect defence spending has doubled over the past four years due to Japan's enormous economic growth and the revaluation of the yen

Japan is now one of the five largest defence spenders in the world, investing roughly as much as Britain, France or the Federal Republic of Germany.

Its military equipment, especially its fleet, is extremely advanced — in keeping with Japanese industrial standards — and starting to cause alarm in the Pacific that Moscow has been quick to put to use.

Last but not least, a keynote of the Gorbachov Plan is an interest in harnessing the swiftly-growing economic and financial power of advanced and advancing Asian countries for Soviet development projects.

Were a compromise to be agreed on the Kuriles there would no longer be any obstacle to Japanese participation in the development of Siberia.

As Asia came to terms with Moscow it could indeed emerge as the much-vaunted focal point of future world development.

The Soviet Union would like to derive political benefit from this trend. In the long term that would jeopardise the pre-eminent position the United States has so far enjoyed unchallenged.

Herbert Kremp

(Die Welt, Bonn, 21 September 1988)

The German Tribune

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■ THE EUROPEAN COMMUNITY

Does the (single-market) chicken come before the (monetary union) egg?

A fair amount of scepticism surrounds the Delors Commission's efforts in Basle to get to grips with the disputed issues of monetary union and a central Europan bank.

The 17-man committee, comprising the heads of central banks and a few specialists, was set up at the summit conference in Hanover earlier this year.

The committee, chaired by Jacques Delors, president of the Commission, should have a report to issue by next spring.

Heads of government will discuss at further steps at the next European summit in Madrid next June.

The issues of monetary union and a central bank are causing extreme differences of opinion.

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Some say neither is being pursued fast enough. Others advise caution and advocate monetary support measures for the Single European Market, if necessary for a long transitional period.

Fundamentalists are quarrelling with those who think of monetary union as a crowning achievement — about whether currency union should come first as a prerequisite for the Single European Market; or if it should follow as a final step once everything else is done.

British Prime Minister Margaret Thatcher has, as usual, given her opinion without frills. After the Hannover summit, she told a reporter: "There will not be a European central bank as long as I live." Neither would there certainly be agreement on a European government which would be a prerequisite for a European central bank.

Her sharp No to French ideas about Europe's currency future indicated that Mrs Thatcher regards these as in line with the recommendations made by Bundesbank president Karl Otto Pöhl, outlined in the *Frankfurter Allgemeine Zeitung* on 28 May.

Apparently Delors favours Pöhl's ideas, and it is probably correct to assume that they are playing a certain role in the opening phases of the consultations.

At the same time the fears of many currency experts in the Federal Republic, that the economically strongest country in the EC, Germany, is not represented as it should be, are exaggerated.

It is true that Pöhl sits with only one other German on the committee, but his ideas are shared by many.

The central elements of Pöhl's ideas are; that the establishment of a European central bank system is in no way the inevitable result of the completion of the Single European Market, and presupposes certain pre-conditions that all must agree first.

These include extending the European Monetary System (EMS) to take in all currencies that do not participate in this compensating mechanism, such as sterling.

They also include the total liberalisation of the 12 capital markets. The French have recently had second thoughts about this.

Furthermore a European central bank system must be unambiguously oriented to price stability, and be independent of political interference.

A future EC central bank should have its independence as assured as the Bundersbank's is. It would be best to set it up along federal lines.

Then a European central bank should remain independent not only of member governments but of Community institutions such as the Commission and the Council of Ministers

What might be obvious to the Germans is for the French, Italians and Spanish still difficult to understand, even if attention is drawn to how much more stability there has been with the German system.

As long as one or two member states cannot envisage a central bank not under government influence, then it is pointless to talk seriously about an EC central bank system.

Pöhl's ideas also included the demand that the Community central bank must approve financing national deficits by printing money.

This is also not a matter of course in all member states. To many it seems that "the convergence of priorities" in a future European currency system would be more important than the alignment of economic and financial policies that is continuously being talked about.

There is nothing new in this for the Community. At The Hague summit conference 19 years ago the heads of government called for economic and currency union and entrusted a commission to clarify the technical details.

Under the chairmanship of the then Luxemburg Prime Minister, Pierre Werner, experts recommended a graduated plan in 1970 that extended from a gradual reduction in the spread of the fluctuations of Community currencies to coordination of central bank intervention and the establishment of a "Community body under the management of central bank presidents."

Two demands of the Werner Plan were fulfilled with the European Monetary System, and the creation of the Ecu, even if they only include certain members of the Community and do not always function to everyone's satisfaction.

There is considerable dispute about further steps, particularly the transitional phase of a "parallel currency" and the establishment of a reserve fund.

It is also questioned whether a central decision-making committee is necessary.

But there is one point on which all are agreed, the experts and politicians should not let themselves be pressured into coming to a quick decision

They will not do that anyway. And in this expectation there is the hope of a long deliberative process

Currency union is a mirage — seen only in the distance.

Peter Hort

(Frankfurter Allgemeine Zeitung für Deutschland, 13 September 1988)

Standardised passports are all different

The new European passport is still not available in several European countries.

At the beginning of 1981, the Community agreed that, from 1 January 1985, the wine-red document would be available. The Dutch, Spanish, Portuguese and British are still waiting.

The standardised passport will only be available in all countries from next year. Only three countries, Ireland, Luxemburg and Denmark, have kept to the original timetable and have been issuing the passport from 1 January 1985.

Later that year, Italy, France, Belgium and Greece joined them. Germany followed at the beginning of this year.

Britain is the last. But when the document is available there, it won't be available in all parts of the country. Some Britons will have to wait until the end of next year.

Newcomers to the Community, Spain and Portugal, were given a deadline for the beginning of 1989. The Dutch will also begin to issue the new passports then as well.

In Germany, there was a rush for the passport before the main holiday season this year. Not only did this lead to processing problems — there was a strike in the government printing plant as well. Many Germans had to go on holiday with provisional documents.

The standardised passports are not entirely standardised. They differ at least in price and length of validity.

People in Luxemburg have to pay the least, the Italians the most. A passport valid for 10 years costs between 9.27 and 11.57 Ecus in Luxemburg (about 19 to 24 marks). In Italy it costs a whopping 170.85 Ecus (about DM354).

In France the passport is hardly cheap at 110.27 Ecus (about DM208). In Germany, people can exchange their old passport for a new one for a payment of 14.53 Ecus (DM30).

In some countries, the passports are valid for 10 years; in others for only five.

Belgians have a choice — one, three or five years.

All German applicants over 26 are issued with a passport valid for 10 years.

(Lübecker Nachrichten, 13 September 1988)

1992: disharmony over tax harmonisation

Differences of opinion have emerged over one of the most important points in the Single European Market by the end of 1992: indirect taxation (principally Value Added Tax and customs duties).

This has become apparent from statements by the British Chancellor of the Exchequer, Nigel Lawson, and French Prime Minister Michel Rocard.

This bodes ill for the goal of getting rid of frontiers between states.

It was already obvious to experts that, apart from the opposition which interior ministers would put up on security grounds, their colleagues in finance ministries would throw up the most difficult hurdles before internal frontiers within the European Community could be dismantled.

Tax harmonisation reduces to some extent the room for economic manoeuvre among countries. Harmonisation involves changes to tax revenue. It will also have social and economic consequences.

European integration of this sort means a genuine renunciation of sovereignty.

Finance Ministers are scheduled to meet in Crete to discuss the taxation question. Lawson has already dismissed the plans presented by a British Commissioner, Lord Cockfield, and has produced one of his own that would not lead to the dismantling of barriers.

Lord Cockfield has already had to pay the price for his commitment to Europe. Prime Minister Margaret Thatcher has not approved his re-appointment to the next Commission.

French Prime Minister Rocard has followed hard on the heels of Lawson's criticisms. Although Rocard's criticism is not so radical as Lawson's it also represents a No to Brussel's plans.

The Commission's priority aim was not taxation policy at all, but a minimum harmonisation, which would permit getting rid of frontiers without severe distortions in competitivity.

The Commission had proposed two VAT rates. Member-states would be entitled to a spread of between 14 and 20 per cent for the standard rate and between four and nine per cent for the concessionary rate.

The current concept of giving VAT relief on exports and imposing taxes on imports would be abolished.

Instead exporters would charge VAT and would have to remit the balance to their tax authority after deducting justifiable expenses and tax relief to which they are entitled as part of the VAT system.

A clearing house system would be set up to balance national accounts.

The bases of assessment for customs duties on cigarettes, tobacco, alcohol and oil would be standardised and the rates aligned.

Britain now wants to retain frontier controls on the grounds of internal security and for health reasons, and just simplify taxation.

When imports and exports are deregulated among EC countries the market will tend to ensure that VAT rates are standardised.

In France the rates are higher than in Britain so harmonisation for the French means reducing rates.

Paris says that the government would sustain extensive revenue losses which could not be compensated for by direct taxation, because of increasing opposition to this, and increasing public expenditure.

The EC Commission has made no reaction to the statements by Lawson and Rocard because, as a spokesman said, the Commission does not intend to indulge in disputes in the run-up to the finance ministers' consultations.

Nevertheless Brussels is surprised by the position taken up by the French, because it is contrary to the stance adopted to date by President Francois Mitterrand.

He is on record as having presented himself as a committed advocate of the Single European Market.

Brussels officials see the British objections as dangerous, because they include a fundamental No to the dismantling of frontiers, decided upon by heads of government.

The Commission maintains that alternative proposals will be made at the finance ministers' consultations. Now they will have to come clean.

Eberhard Wisdorff

(Handelsblatt, Düsseldorf, 13 September 1988)

■ TERRORIST MURDER BID FAILS

Ambush believed linked with IMF, World Bank meeting

Left-wing terrorists claimed responsibility for an attempt to assassinate a key civil servant at the Bonn Finance Ministry days before the Berlin meeting of the IMF and the World Bank. They cynically "apologised" for their failure, saying the firing mechanism of their sub-machine gun had jammed.

News of the attempt to kill Hans Tietmeyer, one of Finance Minister Gerhard Stoltenberg's two permanent state secretaries and a right-hand man to successive Economic Affairs and Finance Ministers in Bonn, was broken at a Press conference in the capital.

It was 10 a.m. and Herr Stoltenberg began by saying that at 8.30 a.m., Herr Tietmeyer just stepped into his Ministry car on his way to work from Bad Godesberg, a Bonn suburb, and travelled barely 50 yards when unknown assailants opened fire from a coppice.

As the Minister revealed details of the terrorist assassination bid before going on to international economic growth and the Third World debt crisis, both key topics at the Berlin meeting, an evidently unperturbed Dr Tietmeyer had already left the scene of the attack and started his day's work.

The assailants escaped unharmed too, and on the day of the assassination bid, 20 September, there was no clue to their identity or purpose, although Herr Stoltenberg said it must presumably be seen in connection with the Berlin meeting.

But, as always on such occasions, chief public prosecutor Kurt Rebmann and his staff immediately took charge of the investigations, and a day later an anonymous letter was received from person or persons claiming to have been to blame.

Were they members of the RAF, or Red Army Faction, a German urban guerrilla group of left-wing terrorists who were mainly active in the 1970s?

Or were the would-be killers members of militant smaller "autonomous" units, either or both aiming to strike yet another blow at the imperialist economic system?

Rebmann immediately assumed that "autonomous" militants must be to blame, especially as masked assailants armed with sticks had broken up a debate on the IMF in Hamburg the previous evening.

It is hard to imagine the RAF using shotguns, as the Godesberg assailants did. But the RAF was just as keen on breaking up the Berlin meeting.

The attempt on the life of a man whose name is closely associated with the World Bank and the IMF would be consistent with the aims of the RAF.

Dr Tietmeyer's rise began when he, as a Christian Democrat, energetically disputed claims made by Social Democratic Economic Affairs and Finance Minister Karl Schiller at an election meeting.

Free Democratic Economic Affairs Ministers Hans Friderichs and Otto Lambsdorff also appreciated his advice

Under SPD Chancellor Helmut Schmidt, he was a head of department at the Economic Affairs Ministry and agreed to be the Social and Free Democratic coalition's key adviser on cyclical policy.

He is reputed to have advised Count Lambsdorff on the policy report that triggered the break-up of the SPD-FDP coalition in September 1982. When the Christian Democrats were returned to power in Stoltenberg had Dr Tietmeyer transferred from the Economic Affairs Ministry.

At the Finance Ministry he was put in charge of finance policy fundamentals, of financial relations within the European Community framework, of monetary, money and credit policy and of much, much more.

Nearly all paperwork in connection with national and international conferences is cleared via his desk, and when Chancellor Kohl makes a government policy statement on monetary matters, Herr Tietmeyer can be sure to have been instrumental in drafting it.

He stands in for Herr Stoltenberg at the Club of Ten or in Brussels when the Minister is either unable or unwilling to attend.

As deputy governor of the World Bank he was also in charge of preparations for the Berlin meeting of the IMF and the World Bank.

The more competitive and authoritative he is, the more influential a senior civil servant so close to such important levers of power will be.

Finance experts ungrudgingly acknowledge Herr Tietmeyer as a brilliant economist most keenly committed to his work.



Survived attack and went back to work . . . Hans Tietmeyer.

(Photo: Sven Simon)

Some have described him as incredibly hard-working, others as a workaholic. Many who have been associated with him or asked his advice will agree that the organiser of this year's IMF and World Bank meeting has the unusual combination of a brilliant mind and a practical ability to get things done.

He also seems to have strong nerves. Before driving off to work he told the police the weapon that had just been used might well have been a shotgun.

He said the bullets hit the car but did not penetrate the sheet metal.

Udo Bergdoll

(Süddeutsche Zeitung, Munich, 21 September 1988)

Discarded machine gun stolen in Red Army Faction raid

Security authorities changed their minds within hours about the attempt to assassinate Hans Tietmeyer, 57, state secretary at the Federal Finance Ministry.

They first thought the unknown assailants' intention had merely been to frighten Herr Tietmeyer and people attending the Berlin IMF and World Bank meeting.

The attack had been staged in such a dilettante fashion that the Red Army Faction (RAF) was apparently ruled out as the culprit.

But then the weapon was found at the scene of the crime. It was identified as one of several stolen when the RAF raided a gun dealer's in Maxdorf, near Ludwigshafen.

As an official engaged in the investigation put it: "We then knew we were dealing with an RAF group." The anonymous letter claiming responsibility for the attack merely underscored the point.

What was intended to happen? The authorities are working on two possible lines of approach:

- Herr Tietmeyer and his driver were to have been killed, but a sub-machine gun the assailants had with them jammed. This interpretation is supported by the full sub-machine gun magazine found at the scene of the crime.
- Their aim was to abduct Herr Tietmeyer. Arguments that lend weight to this possibility are that the gun was aimed low, at the body and tyres of the car.

The assailants' intention could have been to hit the car's tyres and the two men's legs, thus immobilising them and making it easier to abduct them.

In recent years security experts have argued that hostage-taking is unlikely, the abduction of Hanns-Martin Schleyer in 1977 having shown that Bonn will not yield to blackmail. Besides, so many RAF terrorists have been taken into custody in recent years that Germany's left-wing urban guerrillas are no longer thought to have the manpower they need to stage such an operation.

The four-page letter claiming responsibility for the attack is in two parts. The first explains, on behalf of an RAF Khaled Aker Command, that the attack was carried out in connection with the Berlin IMF and World Bank meeting.

The second is a joint declaration by the RAF and the Italian *Brigate Rosse*, or Red Brigades.

Differences in origin, development and objectives of the RAF and the Red Brigades must no longer, it said, stand in the way of their joint anti-imperialist struggle.

The security authorities have noted for over a year that the RAF is keen to enlist Red Brigade support, but the Italian terrorists had seemed to keep their distance from the RAF.

"The joint declaration now indicates that a common basis has now been found," an official says. Yet there is no specific evidence that Italians had anything to do with the Bonn raid.

The experts were still unsure whether further moves might be expected. "Whenever the police are working flat-out the terrorists go to ground," an official said. "They have always done so in the past.

"But after the failure of their attempt to assassinate Herr Tietmeyer they may now be under especially heavy pressure to succeed. We must work on the assumption that they still have something planned."

Horst Zimmermann

(Bremer Nachrichten, 22 September 1988)

■ PERSPECTIVE

Time for the Germans to answer some questions

Ralf Dahrendorf, who wrote this article for the national weekly, *Die Zeit*, is a former head of the London School of Economics. He is now Professor of Sociology at Constance University.

No-one needs reminding that our friends and neighbours are somewhat surprised by the re-emergence of German questions they have long dismissed as over and done with.

Even Central Europe is an issue fraught with uncertainties. Can one refer to a new "romanticism of the Third Way," to quote Hans-Ulrich Wehler?

Is Central Europe to be seen as a "common house" furnished by the Germans? Does it stand for a parting of the ways with the West that calls to mind embarrassments of old?

Or, quite differently, is Eastern Europe to be invited to join a "permitted" semi-West?

André Glucksmann is by no means alone in having written about the anxiety to which such speculation gives rise in France.

In the English-speaking West and in countries that go along with it brows tend to be furrowed about what the restless Germans are up to again.

Issues of this kind form part of the background to questions Germans are asked that are much more specific, if posed less often.

Maybe Germans who are frequent travellers and whose opposite numbers occasionally forget where they come from are more familiar with these other questions.

They too deal with an aspect of German nationalism, but are likelier to be related to economic than to political issues.

"Germany!" people will say whenever mention is made of larger markets or of international cooperation. "Ah yes, it's all different there!"

The Federal Republic of Germany is seen by many as the Japan of Europe, with an impenetrable defence line of partly cultural, partly institutional peculiarities.

In one respect some see the Federal Republic as even worse than Japan. The Japanese are felt, at least under Premier Nakasone, and even more markedly under Premier Takeshita, to have begun to boost domestic demand so as to reduce export surpluses (so people say).

That is seen as a contribution toward international economic stabilisation that is deserving of meritorious mention.

It leaves only the Federal Republic still viewing its balance-of-payments surplus as a virility symbol, pointing in only one direction: upward.

The Germans are seen as not being prepared to discuss making a contribution of their own toward striking an international economic balance.

They may fairly be said to be not even prepared to do so. German spokesmen never tire of mentioning the allegedly deleterious effect of the 1978 Bonn economic summit.

The "locomotive theory" which was so prevalent at the time, the argument that by boosting domestic demand Bonn could give the rest of the world a shot in the arm, as it were, is fairly and squarely blamed in Bonn for higher inflation, harsher recession and heavier sovereign debts.

This combination, which led to power changing hands in Bonn (from Helmut Schmidt's SPD-led to Helmut Kohl's CDU-led coalition) in 1982, is seen by some as a consequence of German compliance with international demands.

State secretary Otto Schlecht of the Bonn Finance Ministry never tires of stressing that there will be no repetition of 1978.

Other German world travellers, such as the Free Democrats' Count Lambsdorff, make this point even more trenchantly. They refute all criticism of the German attitude and level serious accusations at the United States in return.

Their line of argument is: "First put your own house in order; only then can you make any demands of us."

As many people feel that America's house can only be put in order with German (and Japanese) assistance, polemics of this kind are unlikely to lead to fruitful discussions.

They are likelier to lead to the conclusion that the Germans simply don't want to play ball.

It is not a matter of one viewpoint or the other being right or wrong but of its politico-psychological effect, as the Japanese have been well aware for several years.

The Federal Republic, in comparison, is still reeling under the trauma of the last-but-one Bonn economic summit.

In this connection mention must be made of the question why the Federal Republic has derived so little benefit from the fully-fledged 1980s boom.

Growth rates need not be on a par with those of, say, Spain or Portugal, but how does Germany compare with Britain or France?

This year's German growth rate compares well, but in recent years it has badly trailed that of comparable countries.

Might Bonn not have done better to give the German economy more of a fillip? This naturally brings us to the tragicomedy of the German taxation reform; it also raises the problem of corporative inflexibility of political decision-making processes and, at the very least, to the conclusion that the Federal Republic has evidently gone its own sweet way.

The next deadline is 1992, when the single internal market is due to come into force within the European Community. It has not gone unnoticed that this issue prompts less interest in the Federal Republic than in any other member-country.

A survey for the European Commission has just shown that interest in and enthusiasm about Europe are rapidly declining in Germany — and increasing elsewhere.

Above all, the 1992 deadline and what it stands for lead to a number of discoveries, some of which are here cited as examples.

The monopoly position enjoyed by the German Bundespost and the links between it and Siemens can only be termed notorious. In the telecom sector, at least, this is one of the greatest obstacles to European integration.

Power structures in business and industry are less readily apparent, but when a European competitor of a leading German company tries to buy its way into the German market it occasionally encounters difficulties for which identifiable quarters, such as a leading German bank, may be felt to be to blame.

In cases such as this the German economy seems to have much in common with Japan (except that Bonn lacks a string-pulling government agency along the lines of the Japanese Ministry of International Trade and Industry).

The German economy is then felt to resemble a network of ties with hatches that are battened down as soon as external threats materialise.

"You simply can't get a foot on the ground in Germany," foreign entrepreneurs say. This comes as a surprise to Germans who feel they buy virtually nothing but imported goods.

Maybe this impression belies the real market share held by imported goods — just as it fails to reflect the difficulties foreigners see in trying to gain a foothold in the German market.

It seems to follow rules and a logic of its own, yet in reality it isn't a separate market but a strange blend of market forces and powers.

This definition is made advisedly. Part of the singularity of the German situation is not organised; it is due to cultural considerations.

The same, incidentally, is true of Japan and, unquestionably, of other European countries.

A Württemberg artisan would be ill-advised to call on his customers driving a Japanese car, while industry — even without government slogans — tends to prefer German bids.

German managers of the German subsidiaries of foreign companies at times feel they need to "apologise" to friends and colleagues for their "disloyalty" in not working for a German firm.

From the viewpoint of other countries there are non-tariff barriers that can be eliminated neither by negotiation nor by experience. So in this respect, as in others, Germany is different

Maybe it is an exaggeration to interpret the peculiarities here outlined as "German (economic) nationalism." A number of accusations can certainly be stamped "return to sender."

A further factor is that the Federal Republic of Germany no longer has any really effective spokesmen in the West. There is a lack of people capable of explaining the German position in terms of the concepts on the basis of which debate is conducted.

This is a tricky issue, yet one on which plain speaking is indispensable.

Chancellor Kohl is in an outstanding position in this connection, but he is not given to taking part in discussions with facts, with irony or even with pleasure.

Foreign Minister Genscher is increasingly felt to be a man who keeps to his own agenda, an agenda that does not include the issues raised here.

Neither Finance Minister Stoltenberg nor Economic Affairs Minister Bangemann has made it his business to explain the German position to others — or to explain international viewpoints to Germans.

Bundesbank governor Karl Otto Pöhl can best be said to have done so, but he may often have been too keen to defend the central bank's autonomy, impor-

DIE ZEIT

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■ FINANCE

Pessimism over Gatt likely to boost idea of Pacific trading bloc

Most Pacific Basin states have healthy economic growth. Much has been written and said about this "Pacific powerhouse".

It is an economic bloc in the making which, in terms of population and economic potential, might turn out to be even more significant than the post-1992 European Community and its single internal market.

There has been specific discussion of the United States and Japan setting up a free trade zone.

The idea was first mooted by the Americans. For a long time, the Japanese did not take the ideas seriously. But now they are changing their mind.

A variety of arguments can be marshalled in support of setting up a Pacific free trade zone. One is that overall expectations of the likely outcome of the Gatt Uruguay Round are extremely pessimistic.

Both Japan and the United States view the merger of the European Community countries, with their target of a single internal market, with considerable mistrust, feeling the Europeans may batten down the hatches and cut themselves off in trade policy terms from the rest of the world.

Much that has been heard of late in Brussels seems to fuel the fires of these fears. So setting up an American-Japanese free trade area would possibles be an effective counter-measure.

It might both prevent the European Community from pitching its tariff barriers too high and speed up negotiations to break down tariff barriers within the Gatt framework.

Yet it would be a mistake to imagine that plans for a Pacific free trade zone were merely a reaction to the growing strength of the European Community.

There have been many trade policy clashes between the United States and Japan in recent years, often accompanied by strong words, such as talk of a semiconductor war, and endless legislative bids along protectionist lines in the United States.

This is mainly because the two leading economies of the Western world have been trying not to settle disputes by generally valid rules but to discuss and resolve them individually.

There have thus been juicy disputes over citrus fruit, beef, electronic components, cigarettes and shipping rates, to name but a handful.

Yet all this hue and cry must not blind us to the fact that America and Japan have, with very few exceptions (such as on rice), always agreed on terms.

The fewer disputed issues that remain, the greater will be the incentive to follow countless individual provisions with wider-ranging agreements.

We must bear in mind that ties between America and Japan are very much closer than many people imagine in other parts of the world.

It isn't merely a matter of economic considerations; defence and many other political issues are also involved.

But the strongest common interest must surely be in developing and marketing new technologies, such as data processing and telecommunication, new materials and biotechnology.

The advantages of a free trade zone

Frankfurter Allgemeine

are felt by its supporters in both countries to include its stabilising political effect.

Here too the reality has in some respects made further progress than might, from a distance, appear to have been the case.

The US defence concept for the Pacific has, for instance, long been backed up by deliberate moves in Japanese development aid aimed at preventing individual island republics, of which the region has dozens, from opening up to the East Bloc.

The more what has already been accomplished is included in deliberations on the subject, the likelier and more realistic a prospect an American-Japanese free trade zone appears.

That having been said, neither in the United States nor in Japan does it have nothing but supporters.

In both countries numerous economists and politicians have voiced fears that closer ties might force them to abandon independence and open up to alien influences more than they have done in the past.

There can nonetheless be no denying that Japan too is now serious about giving serious consideration to the possibilities of such a far-reaching link.

In Tokyo three different bodies, including the Ministry of International Trade and Industry, are busy weighing up the prospects and risks.

In the United States views and facts are being compiled for a Senate subcommittee. What then happens will depend to no small extent on the result of the US Presidential elections.

The Republican candidate, Vice-President George Bush, is known to be a supporter of the free trade zone proposal.

If Treasury Secretary James Baker were to be a member of a Bush administration it would then include a pioneer of the proposal and stand a fair chance of speeding up the pace.

Premier Takeshita of Japan is known to be as keen a supporter of setting up a comprehensive free trade zone comprising the two countries as his predecessor, Mr Nakasone, was.

How long might it take for the proposal to be put into practice? Views at present seem to vary widely, depending on the assessment of opposition to the idea that inevitably exists in both countries.

There is no talk yet of specific negotiations, but that could quickly change if Mr Bush were to win the Presidential elections.

Then, it is generally assumed, there would be at least two years of negotiations.

Bearing in mind the need to ratify the terms agreed, an American-Japanese free trade zone would be unlikely to come into effect before the mid-1990s.

Peter Odrich

(Frankfurter Allgemeine Zeitung für Deutschland, 10 September 1988)

German question

Continued from page 5

tant though that may be. It is not for the Opposition leader to defend the government's record.

Besides, the "German nationalism" here analysed is not one of his favourite issues.

What is more, there is a shortage nowadays of unofficial spokesmen for the Federal Republic too.

There are various reasons why, one of which brings us back to the initial remarks on Central Europe and allied topics.

German fascination with the West has cooled off, and a great deal of energy is invested in the East.

German politicians, intellectuals and even businessmen are at times so interested, and understandably interested, in trends in Eastern Europe and the Soviet Union that they tend to neglect the very groundwork from which they operate.

The few who still feel duty bound to explain in Paris, London and Washington what is happening in Germany are too weak to introduce the results of their travels into the German public debate.

None of this need lead to dramatic conclusions; at least; not yet. No-one with both feet on the ground can doubt that the Federal Republic is firmly committed to the West.

No-one who can read economic statistics will doubt that the German economy is inseparably interlinked with the international economy and, in particular, with the OECD market.

Yet it would do no harm if questions asked of Germans by a number of people in the West today were taken to heart and answered.

Ralf Dahrendorf

(Die Zeit, Hamburg, 9 September 1988)

Malaysian PM brings his case to Bonn

Malaysian Premier Mahathir Mohamed, who has been visiting Bonn, sees the Federal Republic of Germany as a guarantor of fair and free trade.

Kuala Lumpur is worried that the establishment of the European Community's single internal market by 1992 might be accompanied by further concentration on European economies.

That might make it increasingly difficult for Malaysia to sell goods to Europe. He was reassured on this point by both the Bonn government and German industry.

At a gathering of businessmen in Cologne Tyll Necker, president of the Confederation of German Industry (BDI), assured the Malaysian Premier that German industry was all in favour of keeping the European market open even once the single internal market was in force.

Dr Mahathir had earlier canvassed support for stronger German economic commitment in Malaysia. His country was rich in commodities and had a skilled labour force, he said.

German businessmen should invest in Malaysia. Despite recent reports to the contrary, there was no cause for alarm about either political stability or Kuala Lumpur's credibility.

Explanations may still be needed on Malaysian domestic affairs, but the economic statistics speak for themselves.

The Malaysian economy has flourished since Kuala Lumpur decided to encourage the private sector. Growth this year is expected to be well over seven per cent, after 5.2 per cent in 1987.

The manufacturing sector alone has reported a growth rate of 14 per cent.

Much of the growth is due to higher private spending. In the first eight months of this year private investment was up eightfold on the corresponding period of 1987.

Growing export earnings ease the burden of the balance of payments, which is currently in surplus to the tune of six billion Malaysian dollars, or roughly DM4.2bn.

His government planned to continue with its present policy come what may, the Malaysian Premier said. A wide-ranging privatisation programme was due to hive off government holdings, especially in transport and services.

So far Kuala Lumpur has privatised 14 state-owned firms, including a container terminal, the national airline, a shipping company and other infrastructure carrier.

Encouragement of the private sector extended to foreign investors too, he said, Malaysia was keen to manufacture more and higher-quality export goods.

That was a target for which the country would need a continuous inflow of foreign know-how, technology and capital, especially where the productivity and efficiency of privatised companies needed improving.

He also sought approval of Kuala Lumpur's New Economic Policy (NEP) by German industrialists who felt that the NEP, formulated in 1970, with its aim of increasing the Malayan share of industry, might have an unfavourable effect on investment conditions.

The aim of Kuala Lumpur's *structural* policy, he said, had been to share economic assets roughly three ways among Malays, foreign investors and other domestic ethnic groups.

The bumiputras, or sons of the soil, as Malays are known, so far own only 18 per cent of the country's wealth even though the NEP is scheduled for completion by 1990.

The government had yet to decide what would then happen. But anyone who invested in Malaysia before this deadline could be sure of enjoying the currently valid free trade framework conditions.

German industrialists were critical of Malaysia's higher wage costs. They might still be lower than Singapore's but could no longer compare with those of either Indonesia or Thailand.

The Malaysian Premier said this seeming disadvantage was more than offset by other, relatively favourable aspects.

Malaysian workers were fairly well educated, and the country had an infrastructure that could hold its own with many another.

(Handelsblatt, Düsseldorf, 21 September 1988)

■ FINANCE

Banking consortium sets up a futures market

The Stock Exchange Bill tabled by the Federal government in Bonn marks a new departure in the German stock market. Its main aim is to establish a legal groundwork for a Frankfurt futures market.

It was tabled at almost the same time as the London futures market, Liffe for short, began futures trading in German Federal government bonds.

So London is still a step ahead of Frankfurt. German bonds can already be bought on a "futures" basis in the City.

In other words, bonds can be bought at an agreed price for delivery (and payment) a month or months later.

The spot market is an indication of how the market rates the prospects for, in this case, a currency. It does so in terms of nominal interest rates and the price above or below par at which bonds are traded.

The futures market is an even more volatile reflection of how the market expects, again in this case, a currency to perform, or interest rates to develop.

At the present stage of development the Frankfurt futures market cannot possibly start trading before the end of next year, and it could take longer.

Dealings in futures used to be permitted on German stock markets, but they were largely prohibited in 1931. Speculation, the very essence of the market, was vilified on political grounds and in connection with a number of scandals that came to light at the time.

Futures trading was resumed in 1970 in the form of options. But the legal position is so fraught with uncertainty that many German banks are most reluctant to handle options.

They keep trade in them to a minimum.

Since the early 1980s futures and options trading has boomed breathtakingly on international stock markets.

The trend is partly due to futures making it possible to hedge against currency or interest-rate risks.

The demand for provisions of this kind has increased since the system of fixed exchange rates collapsed and financial markets were deregulated.

In the wake of the 1973 oil price rises, for instance, interest rates soared to unprecedented heights, while the dollar exchange rate has been up and down like a yo-yo throughout the 1980s.

Conventional insurance cover is not available for risks of this kind because claims, when they come, come thick and fast. They thus defy actuarial assessment and cannot be costed.

Futures trading solves the problem. It is a form of speculation that, in the words of the song, "makes the world go round."

The speculator runs the risk in much the same way as an insurer does. If his assessment of the situation is right, he will make a handsome profit. If not, he will lose, and may lose heavily.

A consortium of Germans banks this summer set up a German futures market holding company, *Deutsche Terminbörse GmbH*. It plans to start by trading in options on securities.

That, details apart, is nothing new. The newcomers envisaged are futures trading in Federal government bonds and on an agreed share index.

They will enable investors to hedge against fluctuations in bond and securities markets.

The fact that London has jumped on to the bandwaggon shows that there is a demand for futures trading.

If German stock markets fail to follow suit, this trade is likely to be transferred abroad, taking some of the spot trade with it.

So the plan to set up a German futures market has been widely welcomed, although a handful of sceptics argue that the German capital market is not large enough to cater for more than a wallflower of a futures market.

It will be run along Swiss lines, streamlined and computerised. Dealers will maintain contacts by computer only.

That rationalises dealing and ensures that everyone is equally well briefed on the state of the market, no matter whether they are in Frankfurt, in Hamburg or in Rosenheim.

Fears have been voiced that fully computerised trading might eliminate the life and soul of the market: the exchange of opinions, keeping an eye on what other dealers are up to, sensing the "atmosphere."

There are further fears that futures market makers may soon end up as an oligopoly because, ostensibly in order to ensure investor safeguards, security provisions are so strict that smaller banks and dealers cannot compete.

As the interests of leading market operators, as opposed to the small fry, are largely identical, there will arguably be a strong likelihood of nothing but buyers or sellers being around at any given time.

Swiss experience has shown that this problem cannot be satisfactorily solved by requiring market makers to buy or sell at any time on demand.

Experience in neighbouring Switzerland has also shown that a futures market must be accompanied by a reform of conventional stock market dealing.

Deutsche Bank director Rolf-E. Breuer, the driving force behind the futures market project, sees it as the cornerstone of a fully-fledged stock market reform.

A reform of after-hours trading has, for instance, been long overdue. It involves a head-on clash of interests, with dealers calling for longer stock market opening hours and Herr Breuer for one advocating computer trading to make after-hours trading more "transparent" and to upgrade its legal status.

Institutional investors could then trade after hours, which they are not at present permitted to do. Conventional dealers would then stand to lose much of their business.

German stock exchanges, currently in the throes of modernisation costing hundreds of millions of marks, would then be left with cost-intensive trading on behalf of individual investors.

The debate on this and other aspects may delay the opening of a German futures market, but open it will.

Whether in London or in Frankfurt, German investors will soon be able to trade in the future, and to do so in an entirely new dimension.

Benedikt Fehr

(Frankfurter Allgemeine Zeitung für Deutschland, 15 September 1988)

First there was chaos; then came Dax followed by Rex

When the Dow-Jones Index plummets on Wall Street or the Nikkei Index soars in Tokyo, stock exchange dealers and pundits all over the world have a clear and immediate pointer to the state of the US or Japanese market.

These two indices clearly indicate the lie of the land. There used to be no such representative German stock market index. But there now is.

Dax, short for *Deutscher Aktien-Index*, was launched on 1 July.

The problem was not a lack of German indices. Critics used to claim, with some truth, that there were more indices than shares traded.

Yet an index such as the *Stuttgarter Zeitung* share index will continue to make sense. It reflects the state of the Stuttgart market, a regional market with features that are strictly its own.

Nationally, however, the situation remains chaotic. There are individual stock market indices, national and financial newspaper indices and indices maintained by banks and the Federal Statistics Bureau. Each competes against the rest; none has gained full and general acceptance.

Now futures trading is planned on the German stock market by the end of next year, agreement on a generally accepted index has been forced upon the market.

Futures trading in securities and bonds presupposes an index that is both generally accepted and internationally acceptable.

As soon as legislation has been drafted and approved, futures contracts will be possible both for individual share quotations and for stock exchange indices just as they are on other international stock markets.

Dax is accordingly to be followed next year by Rex, short for *Deutscher Renten-Index*, or German Bond Index.

Dax will reflect the performance of a Top Thirty German blue chips, most of which are traded at all eight German stock exchanges.

This Top Thirty guide to the market differs substantially from the Frankfurt stock exchange index, which takes all shares quoted in Frankfurt into account.

The Dax 30 are a fair cross-section of German commerce and industry. They include 30 per cent chemicals, 16 per cent banks and 13 per cent motor manufacturers.

Then come utilities (12 per cent), steel (eight per cent), electrical engineering (eight per cent), mechanical engineering (four per cent), transport (3.5 per cent) and department stores and insurance (just over two per cent each).

Dax takes into account nearly 60 per cent of the nominal capital of German public limited companies and over 80 per cent of shares traded on the German stock market.

It will prove invaluable during the hue and cry of stock exchange dealings between 11.30 a.m. and 1.30 p.m.

From mid-October a notice-board five metres wide and two metres high will display the Dax Index on the floor of the Frankfurt stock exchange.

The index will be recalculated once a minute, or 120 times during the exchange's trading hours.

Andreas Richter

(Stuttgarter Zeitung, 13 September 1988)

ECONOMIC CRIME

Outdated laws and a lack of specialist investigators hamper police efforts

Economic crime probably costs the country 20 billion marks a year, estimate the police. Police investigations face big handicaps: there are not enough specialists such as management and tax experts to examine files; outdated laws mean that under-cover investigations of most categories of economic crime are not allowed. This report was written by Karl-Heinz Krumm and appeared in the *Frankfurter Rundschau*.

Frankfurter Rundschau

Volker Gehm, a senior BKA (equivalent to the FBI or CID) officer, held up a newspaper article he had removed from his files.

The article dealt critically with what it said was the indifference of politicians and security officials towards economic crime.

Are police and prosecution staff appropriately employed? it asked. Gehm said the points were valid ones.

Gehm, along with the head of his department, Klaus-Herbert Becker, believes that German legisation is much better than other countries'.

But a lack of specialists was a main reason why an effective war against economic crime was being handicapped.

In commercial life, there is a wealth of legal norms and regulations which can be infringed.

As a consequence, of the 358,000 cases of fraud in the crime statistics of 1987 only about 25,000 were classified as white-collar crimes.

The sole help for classifying crimes connected with money, property or acquisitiveness is provided by Paragraph 74 c of the Law on the Constitution of Courts, which lists a wealth of regulations and norms for which the commercial crime courts are responsible.

Criminal offences of this sort are recorded by the BKA according to the criteria in Paragraph 74 c, but there are two shortcomings which make the statistics incomplete.

The police are not told about the cases that are cleared up by the public prosecutor's office nor of the activities of inspectors investigating suspected tax evasion and investigations conducted by customs officials.

According to Volker Gehm about 40 per cent of white-collar crime involves tax evasion so that here the crime statistics are only of limited value.

In 1987 the police recorded 39,000 white-collar crimes, the same roughly as in 1986. In most cases, 25,000, the crime concerned fraud involving real estate and building schemes.

Damages were roughly DM1.5bn, although it should be pointed out that in 1987 Bavaria did not record any damages figures due to registration problems.

According to most experts the real figure for damages was a lot higher. According to Gehm, tax crimes and an "enormous grey area of crime," not registered by the police, accounted for three to four billion marks.

BKA experts with considerable experience in the field estimate that the total annual figure for damages involving this kind of law-breaking was between DM20 and DM30bn.

The 30 special inspectors' offices set up at police headquarters in major cities, the departments attached to state crime squads and Gehm's own group of 90 personnel are not short of work.

There is no dispute about responsibility and competence between these various departments. The decision about who is to investigate a particular case is often made pragmatically according to the standpoint of incrimination.

The BKA is usually the first to take on the task of examining and bringing together complex informaton so as to reveal the links between individual crimes, because it has computer specialists and enquiries are constantly being made by the specialists of the auditing service.

At the request of a state authority the BKA conducts "pilot" proceedings in difficult legal and de facto areas. For example a case for bodily harm was investigated in Frankfurt against the producer of a wood preservative that included a dangerous but not prohibited substance.

This kind of criminal offence can only be solved with considerable difficulty and expense, because criminal activities of this sort are firmly fixed in the normal run of business activities and have the appearance of legality. In the first instance neither the act itself nor the traces of it become evident.

In this respect criminals are clever, shrewd and educated, as a survey in Zürich has shown; 13 per cent of suspected criminals have a university education, 40 per cent are in senior positions.

These criminals take every opportunity of using the services of efficient lawyers, according to Gehm, particularly taking advantage of loopholes in the law.

One example: a few years ago the 5th amended Law Promoting Capital Formation by Employees opened up the possibilities of investing in companies. Swindlers quickly established fictitous firms so as to get hold of the cash of small savers.

And after the announcement tax would be collected at source on interest on savings firms, out to swindle, began actively pushing real estate as a form of capital investment.

Criminal prosecution officials are not exactly inexperienced in dealing with cases of this sort, often involving millions in damages, but they have to work with rather blunt weapons.

The only proof available is usually in enormous piles of documentary material that have to be examined and evaluated carefully.

In dealing with this arduous paper work there are serious shortcomings in the regulations governing criminal procedures. Confiscated files can only be examined by a public prosecutor or judge.

But what is particularly time-consuming is the obligation of having to examine as witnesses the many victims of the suspected crimes.

Investigators are fundamentally hampered by a lack of competence in dealing with white-collar criminals. Criminal law recognises in major thefts the concept of gang crime, but there is no such concept when dealing with fraud.

Although in many instances of white-collar crime there are all the signs of "organised crime" — illegally employing workers, conspiratorial behaviour, setting up systems to recruit illegal workers and corruption — crimes with an economic background are not included under this rubric in the appropriate regulations, although previous illegal political party financing could, by definition, be judged as "organised crime."

The consequences of such legislative broad-mindedness are: in cases of crimes of property, no matter of what order, prosecuting officials are in principle prohibited from making undercover investigations, observing suspects or tapping telephones.

Circumscribing regulations do not allow investigators to make test purchases in cases concerning falsification of trade marks.

Apart from these astonishing legal shortcomings, investigators have to deal with psychological hurdles. Major companies and banks, for instance, fight shy of bringing charges, because they fear their public image will suffer.

Some government offices, which supervise and control certain branches of business, have the same anxiety about the police, according to Klaus-Herbert Becker.

He said that criminal proceedings are usually regarded as the last resort when all other solutions have failed.

Many major swindles, for instance, are only made possible by the eventual victim himself. The wonderful dream of "making a fast buck" neutralises people's sense of caution and due suspicion.

There have been "gimpel" lists in the USA for a long time, including the names of particularly naive citizens to whom one can palm almost anything off on the telephone.

But the lack of suspicion by many victims and deceived people can be primarily seen as a sign of the climate of our performance-oriented and profit-minded society.

All experts with experience in white-collar crime are convinced that this kind of criminal, after having been caught and sentenced, is not socially ostracised. The flabby view prevails that the "successful guy" has had tough luck. He did not know, so to speak, "what he had got mixed up in."

A current case exemplifies this clearly. Despite being found guilty of serious tax evasion a well-known politician has applied, without the turn of a hair, for the chairmanship of his political party.

If he had previously stolen only a few hundreds from someone, angered public opinion would have instantly put a stop to his career.

We can conclude from this that people's reactions to crime no longer always follow time-honoured patterns. New types of crime and their consequences have not been fully appreciated and assimilated.

Experts claim that the examination alone of confiscated files in a case of white-collar crime can last from 30 weeks to a year. The reason for this is that there is a lack of specialists working with the police — tax and management experts are rare and expensive.

The limited personnel in the specialised inspectors' offices are already overburdened in dealing with bankruptcy cases — in 1987 there were 5,700.

Gehm reports that it is not only handling all the paper work that causes strain but the BKA's limited capacities to carry out investigations. Time and time again consultations lasting hours are necessary in order to come up with the legal classification of the facts of a case.

It is also equally as complicated getting at who is the person responsible in a company or getting at the real men behind a swindling firm.

Environmental crimes show just how blurred and weak are the means to hand to take action against these wrongdoers.

There were 17,930 environmental crimes officially registered last year. It is true that most were trifling cases.

Police experience is that what can be seen can be understood and proven. But in cases of air pollution the perpetrators are not investigated.

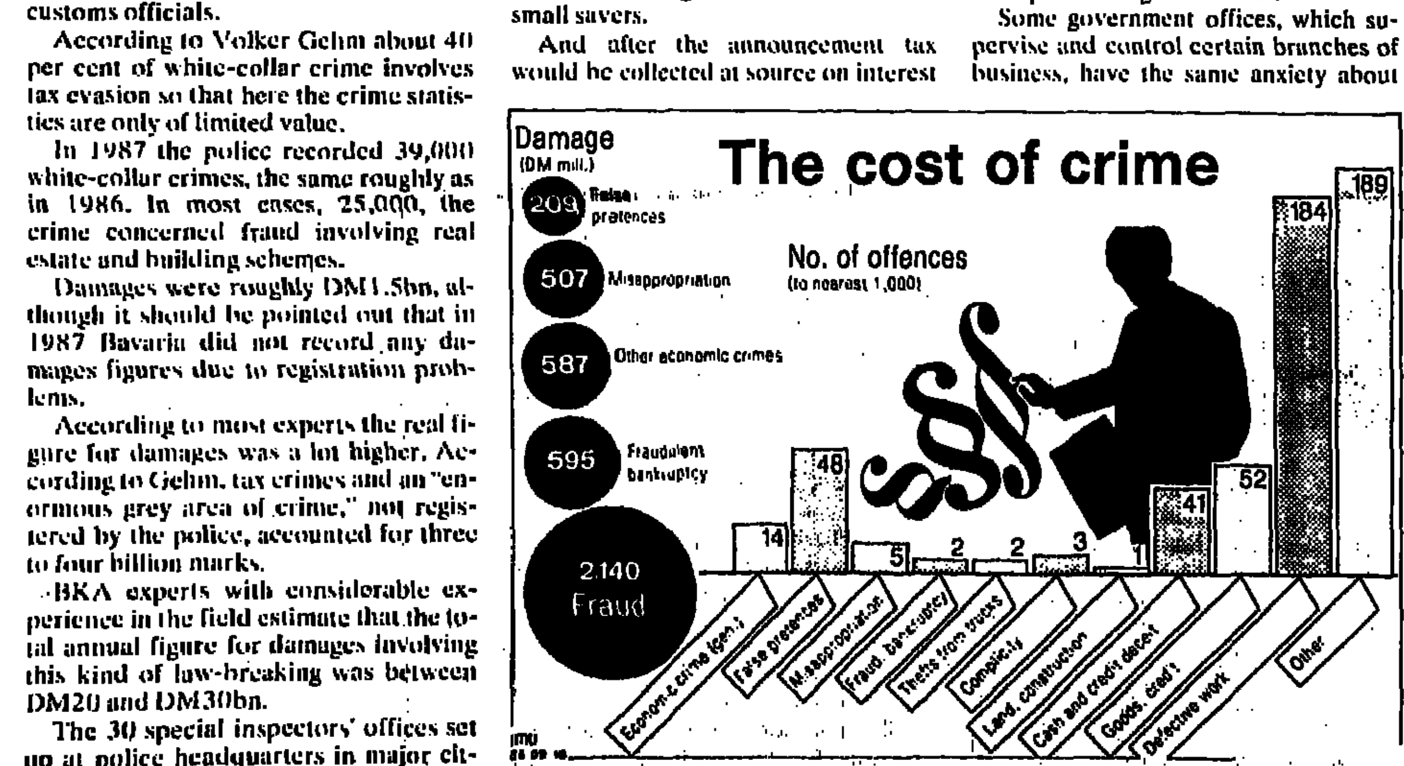
The consequences for people involved in environmental crime have been mild so far. Many proceedings were halted or ended up with a fine. Gehm said that there had not been a case of imprisonment so far.

There is a revealing explanation of this astonishing aspect as well. Action is only take against those who have contaminated a stretch of water, polluted the air or dumped rubbish without authorisation.

The results of taking action against environmental offenders show that in many instances these serious sins are in fact "completely legal."

Karl-Heinz Krumm

(Frankfurter Rundschau, 17 September 1988)



ENERGY

Long-term hopes still lie with renewable sources

Frankfurter Allgemeine

The finite reserves of fossil fuels such as wood, coal, oil and gas are no longer the focal point of the new energy debate; the effect of these fuels on the environment and the climate is now the issue.

When fossil fuels are burnt, carbon dioxide is produced, enriching the existing amount of CO_2 in the atmosphere.

Carbon dioxide and other trace gases have a hothouse effect on the atmosphere which could affect the world's climate to devastating effect.

So great hopes are being placed on renewable energy sources such as sunlight, wind, water and biomass which, if harnessed on any great scale, would prevent any further increase in the carbon dioxide count.

Klaus Heinloth of Bonn University made it clear at a scientific congress in Berlin that these were long-term hopes.

Professor Heinloth, a member of the Bundestag commission of enquiry on protection of the Earth's atmosphere, made this point at the beginning of the Sixth International Solar Forum.

He told fellow-scientists that hopes of renewable energy taking over from fossil fuels, which still meet about 90 per cent of the world's energy needs, would be wishful thinking for some time.

The time is short

Combustion of fossil fuels would need, he said, to be reduced by between 60 and 80 per cent over the next 50 years if the further temperature increase was to be limited to between one and two degrees centigrade.

Renewable energy would, in contrast, take far longer than 50 years to develop to an extent to which it might be in a position to take over from fossil fuels.

Neither the world's production capacity nor its technical know-how nor its financial resources were, or would be, sufficient to complete this task in a mere 50 years.

Priority, Professor Heinloth said, must thus be given to a drastic reduction in energy consumption.

This was particularly true of the industrialised countries, which accounted for about 85 per cent of the world's energy consumption.

A statistically average person in the Federal Republic of Germany uses about eight times as much energy as someone in Brazil or China.

In the developing countries, with their swift population growth, demand for fuel and power is likely to increase rather than decline. But how is this extra demand to be met?

Renewable energy seems suited, in principle, to meet it. It can be harnessed in even the remotest areas without too heavy an outlay.

Besides, sunlight is a commodity of which most developing countries have plenty, which is more than be said of the northern hemisphere.

So the industrialised countries are hoping the developing world will take the lead.

In the industrialised countries low energy costs and a well-developed conventional power distribution and supply system are insuperable obstacles to the introduction of renewable energy.

Market mechanisms alone are sufficient to rule out renewable energy as too expensive. So bulk orders from the so-called Third World are envisaged as cutting unit costs and ensuring the prices fall to the point at which solar and wind power are competitive in the industrialised world too.

Yet numerous projects backed by the GTZ, the Bonn government's technical development agency in Eschborn, near Frankfurt, and the DGS, or German Solar Energy Society, as joint organisers of the Berlin forum, indicate that this hope is unlikely to be fulfilled soon.

As part of the Bonn government's 1979 special energy p0rogramme to harness non-exhaustible energy resources the GTZ has undertaken commitments in 12 Afro-Asian and Latin American countries. Projects in a further 18 countries are planned.

The overall objective of this cooperation with developing countries is to improve energy supplies, especially to poorer people in rural areas and conurbations.

Project engineers have found they mainly need to revert to and to develop traditional techniques. In Burkina Faso, a Sahel zone country, cooking stoves have been improved and can be run on half the previous amount of firewood.

New technologies, such as solar cells and panels to generate electric power from sunlight, are technically feasible but bear too little relation to their users' needs and are, for the most part, still too expensive.

So, as GTZ project manager Joachim Prey says, it will largely be for the industrialised countries to make sure that the cost of solar cells is cut.

Any hopes of technical innovations being unveiled at the Sixth International Solar Forum that might make renewable energy more competitive were soon disappointed.

Little headway has been made in photovoltaics, the key solar cell sector, and others, such as heat storage, have been sadly neglected.

Farms banking on the sun

A two-year pilot project on land near Ludwigshafen to develop solar energy for farming by using banks of photo-electric cells is costing 2.7 million marks, half of which is from the Bonn Ministry of Research. Other involved include the University of Kaiserslautern, Pfalzwerke AG, BASF, and a Siemens subsidiary. (Photo: Meinberg)

Yet a small-scale domestic solar power station recently unveiled in Bonn shows how useful such processes could prove if they were only to be adapted to conditions in the Third World.

The development of solar cells based on crystalline silicium, which as yet is almost the only material used, seems to be coming to an end.

The best and most expensive commercial silicium cells have still not harnessed more than 15 per cent of the energy that passes through them.

Engineers are now mainly working on less expensive manufacturing techniques. Exciting progress may be reported, but only in respect of much more expensive solar cell designs.

The Bonn government is investing DM99m this year in photovoltaic research and development, and DM260m in renewable energy of all kinds.

That is roughly what it spent in 1982, whereas expenditure declined to DM169m in 1986.

For purposes of comparison it may be noted that this year only DM201m is being invested in nuclear fusion and, for once, only DM714m in nuclear fission.

In international terms the Federal Republic of Germany ranks third, behind the United States and Japan, in its spending on renewable energy research and development.

Since 1980 the industrialised West has reduced its research expenditure in this sector by two thirds. What is more, spending fluctuates and shows no sign of a clear strategy. Investment in research is not enough, especially when energy prices are low; political efforts are indispensable if greater use is to be made of renewable energy.

So many speakers at the Berlin forum called for both direct subsidies and higher taxes on energy, the proceeds to be spent solely on renewable energy research and development.

This additional levy would take into account the "true cost" of fossil fuels.

Today's energy prices, they argued, do not take the environmental and health cost of fossil fuel combustion into consideration. Yet taxpayers still have to foot the bill.

Economic sense

It would thus make sounder economic and ecological sense to invest funds beforehand in technologies that impose no burden on the environment.

Charging higher prices for energy based on fossil fuels is felt to be the only way in which renewable energy will stand any chance of holding its own.

The findings of a survey conducted by the Fraunhofer Institute of Systems Engineering and Innovation Research in Karlsruhe indicate that this viewpoint is right.

It found that wind power would have been economic in the Federal Republic by 1987, if not by 1984, if "social costs," i.e. environmental and health damage, had been borne in mind.

Photovoltaic or solar power was expected to draw level with other energy sources by 2005. At present, on the basis of current cost considerations, it is 10 to 20 times more expensive than conventional alternatives.

Olav Hohmeyer, who presented the Karlsruhe research institute's findings to the Berlin forum, arrived at a clear conclusion in respect of both wind power and solar energy.

Disregarding social costs, he said, led to substantial misinvestment in energy techniques that were less than ideal in overall economic terms.

Jörg Göpfert

(Frankfurter Allgemeine Zeitung für Deutschland, 21 September 1988)

Continued from page 1

have thought possible. Even so, the market has still functioned more effectively than an exchange rate fixed by governments would have done.

Now that purchasing power parities have for years ceased to be regarded as the yardstick, no Finance Minister and no central bank governor has any idea where the dollar exchange might strike the balance that is so keenly sought.

They would no longer even be sure if purchasing power parities were still considered to be the sole criterion. That is why the market has to reign supreme over exchange rates.

The IMF and World Bank meeting will reaffirm the by no means new idea that more must be done to boost the performance potential of debtor countries.

In other respects there will be little that is new — other than protest rallies and "tribunals."

Development aid must be increased, the prayer wheel whirls, to which one must add that no aid can be of any use unless the recipient helps himself.

One developing country is not the same as another. Asian aid recipients would be most upset at being equated with others.

Examples readily indicate how effective self-help can be.

Argentina, for instance, used to be rich, South Korea bitterly poor. The boot is now on the other foot.

This isn't due to the IMF or to the World Bank but to the countries themselves. That, however, is not the stuff of which "tribunals" are made.

Franz Thoma

(Süddeutsche Zeitung, Munich, 24 September 1988)

■ ARCHAEOLOGY

Separating fact from fiction in the hunt for Homer and Troy

There is something magical attached to Troy, a name linked more to myth, nostalgia and fantasy than to solid fact.

Since Heinrich Schliemann discovered the supposed location of Homer's Trojan War in 1870, scientific knowledge about the site has been fragmentary.

For this reason Troy, lying on a fertile plain south of Canakkale on the Dardanelles, is one of the best researched archaeological sites in the world.

After Schliemann (1870-1890) his collaborator Wilhelm Dörpfeld (1890-1894) continued with the excavation, as well as the American Carl W. Blegen (1932-1938). There were frequent sensational finds, but Troy has still not yielded up all its secrets.

Car maker Daimler-Benz has provided DM1.3 million for a new excavation campaign, that should extend over 20 years.

The excavation is led by Professor Manfred Korfmann, 46, an authority in pre- and early history.

He has been licensed by the Turkish authorities to continue the investigations that have been carried out at the Troy site for 150 years, with an international team of scientists and in association with a number of specialised disiplines, extending from the computer sciences to philology, botany to geo-physics.

This all costs money. Professor Korfmann has estimated that DM300,000 a year is needed.

Tubingen University has provided DM250,000 for the past five years. The support from Daimler-Benz has done more than help Professor Korfmann out of a tight spot; it has made it possible to begin excavations this summer.

The firm has also donated a special earth-moving vehicle named "Archäomog," that can dig, bore, scoop up earth and transport everything needed on the site.

After the first five-year period Daimler-Benz will consider further assistance if Tübingen University is not in a position to finance the lengthy excavations.

The Daimler-Benz executive board is already looking at its support for the Troy dig for Korfmann is extending his responsibilities in Troy way beyond those of the purely archaeological.

He wants to maintain the ruins on the Hissarlik Hill, whose history stretches back to 2800 BC, so that it is easily available to visitors (there are about 300,000 a year) and they are able appreciate their significance more.

Visitors have caused a lot of damage. They have climbed over the ruins of the walls indiscriminately and riven tracks across the site.

The various levels , from the pre-historic to the Hellenic-Roman period, are identified as Troy I to Troy IX.

There are no explanations of the various building periods and the "proper" paths through the ruins are not marked. What has not been harmed by visitors has been attacked by wind and weather, shrubs and trees.

In the three months of this year's excavations Korfmann's team began to clear the ruins of bushes, to stabilise the walls, put up information notices, erect barriers and spread gravel on the pathways. Visitors will be expected to keep to these paths.

Korfmann used the deep trenches, which Schliemann had first dug through the site, at the lowest depths as an approach road for the special archaeological vehicle he has, "Archäomog.".

In the upper sections, in the very heart of Troy's two oldest settlement phases, he has begun to make the excavations safe so that they could be retained for the future.

Archaeological excavation has become much more sophisticated than it was in Schliemann's time. Although he was a pioneer of a science that was then little known, his methods were very destructive and some enormous mistakes were made.

Korfmann discovered at the Schliemann excavations the remains of two graves. He is now speculating whether these two graves are the last traces of a burial ground that his great predecessor could have destroyed.

He is also speculating whether archaeological finds that Schliemann made on this spot could have originally been burial objects. This would not only alter the topography of Troy, as it is understood to date, but also make corrections to the significance of the finds made there.

In *The Illiad* Homer described the Trojan War as a dispute between the Greeks and the Trojans. If the tourist guides are to be believed the burial mounds are still to be seen, there lies Ajax, there beside one another Achilles and Patroclus, there Hector.

But the burial mounds are mostly the remains of earlier settlements, established on or by the protecting rocks, and then Troy itself was re-built nine times on these rocks, because it was repeatedly destroyed, by fire, earthquakes or war.

It is possible that the site was always inhabited by the same people, but there were probably no such people as "the Trojans" as such. Through it was taken for granted that in the whole of the Aegean during the Bronze Age there was a uniform culture, Mycenaen-Achaean and in the end Greek, possibly the Trojans were related to the high point of this culture in the 13th century BC.

It could be that Korfmann's excavations will provide some answers about this. He hopes to find written sources in the building rubble that was tipped on the slope for the construction of the Hellenistic Temple of Athena (Troy VIII and IX). No-one has excavated there so far.

The discovery of written evidence would be sensational -- similar to the recent discovery of a second arrow-head. So far only one has been found on the Troy site. There has been no written evidence found at Troy so far.

Was there a Trojan War? Korfmann said: "There were many Trojan wars."

Schliemann had believed that the lowest level had to be cleared away to find the Homeric Troy, the Troy destroyed by the Achaeans. But before he died in 1890 he had doubts whether he had pursued the correct path.

It is true that Troy I, built on bare rocks about 2800 BC, is not very impressive compared with later building phases. It is supposed that Homer's Troy was the splendid Troy VI, with its marvellous hewn stones that can be seen still. It collapsed in 1250 BC — the result of an earthquake? Or from the blows of a ram? The British journalist and historian Michael Wood suggested in his book *The War for Troy* that such war machines were the origin of the Trojan Horse legend.



A life's work. Archaeologist Korfmann at Troy. (Photo: AP)

Korfmann's research so far at Besik-Tepe, south-west of Troy, indicates that Troy's wealth came from its geographic position.

The narrow waters of the Dardanelles, the only access to the Marmara Sea from the Aegean, could only be navigated with difficulty because of the strength of the winds and the current.

In summer, up to the time of Christ's birth at least, it was impossible to pass through. The ships of that time did not have a keel and could not tack against the wind. In summer a north wind still blows so that one does not know whether one is coming or going.

Below the entrance to the Dardanelles (and not, as Homer mistakenly reported, at the Scamander estuary), during Troy's great period, the ships had to lie in the Besik Bay and wait for the more favourable autumn winds. The crews camped on land and went no further.

The Hissarlik cliffs were possibly already settled in neolithic times. In prehistoric times, then, the earliest "Trojans," seeing the ships bobbing up and down in the Bay, fell upon the crews: your money or your life.

Anyone who dared to make off for the Dardanelles could only expect to suffer wretched shipwreck at the hands of unjust nature.

According to Korfmann, in the time of Troy VI, 400 ships could easily have pulled in there to be fleeced by the troublesome Trojans.

It is no surprise that time and again, and not only in 1250 BC, the period of Homer's great heroes, the arriving seafarers defended themselves and even stormed the coveted fortress of Troy or Illium, and perhaps used it for themselves as their predecessors had done.

And it would also not be surprising that a whole body of robber and hero legends were associated with Troy, long before Homer sang so artistically about the long-forgotten times 500 years later, (if there was such a person as Homer and if he alone wrote *The Illiad* which the latest scholarship again accepts).

Archaeologists come on bizarre discoveries even today. A hundred years ago Schliemann identified the Hissarlik Hill as the site of Troy with the help of information of the locality provided by Frank Calvert, British by birth but the American vice-consul who owned part of the Hissarlik mound; Dörpfeld who unearthed the imposing walls of Troy VI and also Carl Blegen, whose careful and cautious excavations in the 1930s went towards a subtly differentiated understanding of Troy — but they were all preoccupied by the ruins on the rocks. But who had lived there? A ruler without a people? A kind of beach king, quite alone with his courtiers? Where were his subjects?

Korfmann's predecessors only found evidence of an Hellenic-Roman culture below the rocks, which from boredom they left alone. Finds of this sort could be made elsewhere as well.

Korfmann has made a survey of all Troy's walls on a computer surveying system and has already found important differences with Dörpfeld's plan of the walls. He has moved into the area below the ruins with special surveying equipment and with his "Archäomog."

With this special surveying equipment it is possible to register deviations in the normal strength of the magnetic field on the ground and so reveal that, hidden from sight, there are stone roadways, sewage pipes and humus soil, signifying that there was an extensive lower part of the town.

Several areas have been exposed revealing very wide Roman roads, surfaced roadways, houses, fountains, a whole, once flourishing, civic organisation.

It was known that a Novum Ilium was established in ancient times, but no-one knew what the city looked like. Professor Korfmann will uncover more of this area over the next few years and develop a kind of open-air museum.

The evidence of the remains of Troy VI below the Roman strata might well be sensational. They indicate that the fortress was once a dominating citadel. Below there was a settlement of people who were ruled by the inhabitants of the citadel, but at present it is not known to what extent.

In future differeniations must be made between the fortress of Troy (Korfmann uses the word acropolis) and the town or village of Troy.

The whole of Troas still holds finds that should correct our reading of history. Korfmann plans to devote his life's work to the area. He knows that to the south there is the ancient enormous, unexcavated city of Alexandria Troas.

Its population was 100,000, an Aegean metropolis that more than once was within a hair's breadth of becoming the capital of the Roman Empire.

Today stones and graves can be seen a few centimetres above the earth among the olive trees and grass.

The harbour can still be seen with ancient bollards and the remains of the quay wall, and the old quarry in the foothills of Mount Ida.

Christel Heybrock

(Mannheimer Morgen, 6 September 1988)

Mannheimer MORGEN

■ FILMS

And so to the bedroom hero who becomes a deserter

Frankfurter Allgemeine

Director Robert Van Ackeren's latest film, *Die Venusfalle*, is about uncertainty in two worlds.

A somnambulist is on the move and, under his uncertain glance, the surroundings change into a dream world, reality into the surreal, a woman into a dream-woman, games become allusions, erotic encounters become obsessions.

The pub crawl through the night does not end at the last pub. Instead, sleepless Doctor Max (played by Horst-Günther Marx) ends up in a middle-class apartment for a middle-class wedding. He had just gone for a stroll out of boredom in the hope that something interesting would happen.

There is the promising sound of waltz music and deceptive happiness. The master of the house's seventh wedding is like an infringement against the purity laws.

The submissive bride is already laughing about the indecencies of the unknown guest who is whispering in her ear.

It is an attempt to make contact that comes to a standstill with a frozen smile at a souvenir photo.

Dream or reality? The stranger comes into the apartment in an uninhibited manner, telephones from the bedroom, gets to know six women, who had been married before, and flirts with the bride's young sister — and becomes unexpectedly a key player.

The calculable power of a frivolous fantasy dominates. It does not determine anything but it branches out into paths in the night and just obeys a director's instructions: it is men's fantasies.

Robert Van Ackeren envisaged his latest film project as "the portrayal of a large, beautiful, but weak woman, who carries a small, strong man in her handbag."

"And the more she loves the man, the larger he becomes and the more she loses control over him."

The finished film is more honest. Long before this Coco (played by Sonja Kirchberger), his betrothed, enters his imagination, we learn his secret delusion; he has fallen in love with an unknown voice on the telephone. He believes this woman is the longed-for, ideal woman.

Nevertheless the scenes with Coco show how she has made this small man big in more ways than one.

At first glance she is a woman who stands by her man. She has financed his medical studies and set up a medical practice for him, a budding medical specialist.

She coos over him and cares for him, attracts him with erotic invention and raises his self-awareness out of mediocrity.

But she demands a price for this: the absolute right to do what she will with this prototype man, her man.

The meaningful symbolism of this completely ordinary couple hangs in a picture on the wall.

East German painter Wolfgang Mattheuer called his couple, wrapped in each other's arms, weightless in space, *Schwebendes Liebespaar*. They are totally immersed in each other.

Transitoriness and futility hang threateningly over the frightful-beautiful couple, who are placed in an "ideal-home-like" apartment, that is like a cave for them.

The fate of the night wanderer is to become an "inhabitant of a cave" under the paw of the mother animal, but he wants to escape from this mouse-trap. The bedroom hero becomes a deserter.

But where to go? The "compulsive romantic," as an analyst colleague describes him, goes wandering again. He goes out of the cave-apartment into the cityscape at night.

As if controlled by magical power a man and a woman race murderously towards each other and blindly exchange the expensive shell of their cars that crunch together for the hard surface of the black-shining asphalt.

This is filthy passion, trivial, common ideals, here satirised in a sophisticated style.

Marie (played by Myriem Roussel) is the magical dream-woman, whom he had known before on the telephone. She is the available whore, the woman fleeing to find the fleeing man. In the end she is only the other half of a woman, who is mirrored in many images of women but she is never herself.

She also says what she is, which Van Ackeren knows, but the spell is not broken.

This is men's fantasies, run to clichés, supplied with ironic bon mots, controlled by programmatic key phrases — no way out for miles around for Max.

The circular form of the film, which after any number of capers ends with a new Max and Marie couple, shows once again the powerlessness of an author who went out into the world to use men's fantasies for himself, but in the end he is his own victim and the victim of men's fantasies.

These are hyper-realistic scenes from a polished photographer, Jürgen Jürges. They follow on after one another like pearls from an arsenal of exquisite pictures, full of sparkle, full of ideas and subtlety. But despite everything the whole fireworks display leaves one indifferent.

Perhaps the embittered efforts annoy in trying to unmask the self-deceptions and cliché-ridden life-styles of these characters, with chilly irony, black humour, muted situation comedy, with a touch of the comic, packed into a real dramatic, climax-laden composition.



Pub crawls and erotic encounters in *Die Venusfalle*. (Photo: Filmverlag der Autoren)

This daydream, which was meant only as an experimental setup, develops into a superior, exclusive instrument of perception.

It is the dream of a man, who has not fallen into the "Venus-trap," but who has always been seated in his own snare.

Coolness and helplessness are portrayed throughout the film. Feelings and sentiment are a thing of the past for Van Ackeren. These were in his two previous films, which with this one were intended to be regarded as a trilogy.

In the past it was only Rainer Werner Fassbinder, with a similar alienating style, who tackled the cold streams in our relationships. He succeeded but only with considerable vulnerability.

Instead Van Ackeren's scenes bask in the refinement of the situation, a superior artistry, that too often betrays fashionable attitudes.

This is the homage to the frequently conjured-up spirit of the times: without illusion, without a past, obscene, conservative, crazy about the chilly contact with life. The narrator's lack of hope is always hidden in this.

In the *Flambierten Frau* of 1983 Van Ackeren wrestled with a new relationship between the sexes. In this film, however, he falls back to the all-powerful concepts of men's fantasies. He also seems to be without direction and so does justice to many wishes.

Is this just a fashionable film? A film breaks into pieces on its own coolness.

Marli Feldvoss

(Frankfurter Allgemeine Zeitung für Deutschland, 9 September 1988)

The basic idea cannot be sustained in *Me and Him*. (Photo: Neue Constantin Film)

The anatomy of a voice — and much more

Kieler Nachrichten

Director Doris Dörrie has made her first English-language film, a satirical comedy called *Me and Him*.

A minor employee in a New York architect's office, played by 35-year-old Griffin Dunne, suddenly starts getting advice from an unexpectedly vocal portion of his anatomy.

Sticking up for its rights, his organ insists on discussing matters of policy, priorities and romance. And the *Him* insists on doing this while Dunne is trying to work in the office.

Dörrie said that it was "a comedy about men and woman and the small difference between them."

Him is never seen but he talks incessantly (Heiner Lauterbach provides the voice in the German version, one of the main actors in Dörrie's highly successful *Men*).

The conversations the *Him* character has with *Me* can be heard by the audience but not by the other characters in the film.

The *Me* character is married and wants to get on at work. To his wife's vexation, he is obsessed with his career.

The *Him* complains about the excessive boredom over the past few years of his master's love life.

The character *Him* tries to make his boss pay more attention to the female sex and enjoy life more.

Producer Bernd Eichinger took the basic idea for the film from a novel by Alberto Moravia, about a man "in the trap of a overpowering sex life." Warren D. Leight's script is "a very free" adaption of the Moravia tale,

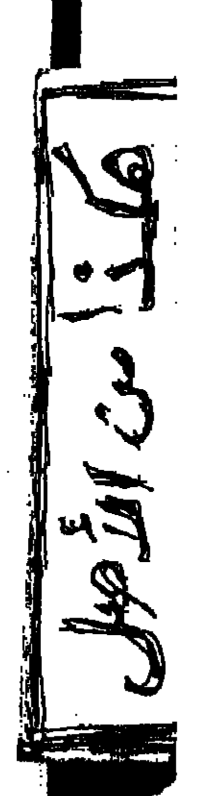
The film was shot in New York. After a witty start Dörrie creates many splendidly ironic scenes, but she does not maintain the tempo of the idea. Some of it is idiotic and rubbishy.

But what is worse, it is boring. The basic idea cannot be sustained throughout the length of the film.

There is little of New York's atmosphere in the film, and the few allusions made to local building speculators mean litle to anyone else except New Yorkers.

But she portrays the anxieties of the "hire and fire" system in the American working world well. *Wilfried Mommert*

(Kieler Nachrichten, 15 September 1988)



■ THE ENVIRONMENT

A Land contemplates with anger an engulfing tide of industrial waste

Nowhere in Germany has garbage posed such serious political problems as in Hesse, the first *Land* to talk in terms of a waste-disposal "state of emergency."

Hesse was the first *Land* in Germany to envisage limits to industrial production because of waste-disposal congestion.

In Hesse the party whip was ignored both when the Social Democrats and Greens held power and, now the Christian and Free Democrats are in coalition in Wiesbaden, whenever the coalition agree on waste tip sites and local government politicians do their damnedest to thwart the decision.

Court injunctions have been awarded twice in Hesse to halt the construction of large-scale modern waste dumps that had already cost millions.

But Hesse is not on its own. These are all problems with which other *Länder* are increasingly confronted.

It is not that "chaos" is particularly rife in Hesse, as was alleged in the days of the coalition of Social Democrats and Greens.

It is merely that the trend toward a waste disposal crisis imminent in all industrialised countries is more advanced in Hesse.

The municipal health and economic affairs department in Zürich, Switzerland, raised the overall problem only a few days ago.

After talking with 50 local authorities in the Zürich waste disposal area, the department had to admit that the city's garbage incinerators were working flat-out and that it had failed to find an incinerator with spare capacity either in Switzerland or in neighbouring countries.

The upshot was that Zürich now has to export its surplus garbage to northern France.

In August the UN environmental programme raised the problem of an "increase by leaps and bounds" in toxic waste exports over the past few years.

The OECD countries alone, and they include Western Europe, Canada and the United States, Japan and Australia, were said to export 500,000 tonnes of toxic waste a year, including 300,000 tonnes from Western Europe to Eastern Europe.

These figures nowhere near adequately illustrate the brisk trade in waste exported to the developing countries.

By next March a UN convention is to be drafted that will end this practice. Yet "special waste" is steadily increasing in quantity, partly due to progressively more rigorous environmental regulations.

An increasing number of substances that occur in industrial production are classified as toxic, as being poorly biodegradable or as being unpredictable in chemical compounds.

They can thus no longer be legally dumped on domestic garbage tips.

Convenient and inexpensive waste disposal procedures of the past, such as pumping effluent into the sea, are progressively being ruled out by tougher legislation and official regulations adopted in the wake of steadily more alarming health hazards, including the death of North Sea seals and fish, the proliferation of algae and the discovery of salmonella bacteria in seawater on holiday resort beaches.

Above all, high-tech environmental technology may desulphurate static emission, purify sewage and incinerate waste but it also produces highly toxic residual waste of its own that adds to the mountains of "special," that is, toxic, waste.

In Hesse the present 260,000 tonnes of special waste a year that local authorities are legally bound to dispose of is expected to increase by nearly a quarter to 320,000 tonnes a year.

This figure does not even include the waste of which industry itself disposes, such as the 40,000 tonnes of toxic waste that Hoechst, the Frankfurt chemicals company, incinerates annually in its own disposal facilities.

This burgeoning burden of toxic waste faces far too inadequate waste disposal facilities that are often badly in need of modernisation.

Hesse, with its garbage "state of emergency," is already forced to export a large proportion of its toxic waste.

Last year 65,000 tonnes went to East Germany and 30,000 tonnes to France.

Hesse Environment Minister Karlheinz Weimar is keen to sent a further 12,000 tonnes to Bavaria and 30,000 tonnes to the Rhineland-Palatinate.

Work is naturally still going ahead on waste dump projects and new waste disposal concepts. The annual capacity of the new incinerator at Biebesheim is to be increased by 30,000 to 90,000 tonnes.

A new incinerator is planned to handle a further 30,000 tonnes of toxic waste a year, but no-one knows when and where it will be built; local authorities will have nothing to do with it.

Underground storage capacity for high-grade toxic waste at Herfa-Neurode, near Kassel, is to be increased from 120,000 to 240,000 tonnes a year.

Hoechst are to increase the capacity of their own incinerator from 40,000 to 100,000 tonnes a year.

Sewage sludge must inevitably, or so it would see, be exported to East Germany until a further incinerator goes on-line.

This year an estimated 40,000 tonnes of sludge will be shipped to East Germany.

The *Land* government sets most store, just as its SPD-Green predecessor did, by the Mainhausen waste dump, half built at a cost of nearly DM60m and scheduled to process about 120,000 tonnes of toxic waste a year from 1990.

In order to ensure that Mainhausen is environmentally A1 and legally "watertight" a technological innovation is planned.

The largest freely-suspended awnings in Europe are envisaged as keeping the tip dry and preventing toxic liquid from seeping into the ground water.

The bed of the tip is to be lined like a bathtub, sealed and fitted out with drainage facilities costing a further DM60m.

Yet political objections continue to be raised. Both the regional planning assembly of South Hesse, in which Social Democrats and Greens command a majority, and the Christian Democratic mayor of Mainhausen, Dieter Gröning, plan to oppose a fresh planning application by the *Land* government.

The situation looks no more promising where domestic waste disposal is concerned. From 1990 over one million tonnes of waste a year will be surplus to the processing capacity of 43 local authorities in the Frankfurt area, with an aggregate population of 1,500,000.

What can the *Land* government do in the circumstances?

Herr Weimar, who as Environment Minister will have no choice but to export domestic waste from South Hesse to East Germany and to France, has threatened to serve notice to local authorities.

He will remind them that they are under a legal waste disposal obligation. "My patience is not slightly exhausted," he says. "But I am at the end of my tether."

Dankwart Guratzsch

(Die Welt, Bonn, 14 September 1988)

Minister takes on Coca-Cola and plastic bottles

The Bonn Cabinet has decided to put a compulsory 50-pfennig deposit on plastic soft-drink bottles. Environment Minister Klaus Töpfer says manufacturers and retailers will be required to accept and recycle empties. Deposits on normal glass bottle vary between 15 pfennigs and 30 pfennigs. As Wolfgang Borgmann writes in this article for the *Stuttgarter Zeitung*, this heavy deposit shows that the minister has decided to take on an industrial giant, Coca-Cola.

Environment Minister Klaus Töpfer has demonstrated the courage of his convictions in deciding to take arms against Coca-Cola, the German soft drinks industry and the FDP's Otto Lambsdorff.

But what else could he have done to maintain credibility? Herr Töpfer's is a voice in the wilderness; he never tires of telling us all that we must avoid creating fresh waste.

Coca-Cola's decision to ignore a pledge by the soft drinks industry not to market new, larger-size plastic bottles on a no-deposit, no-return basis was certain to be seen as a challenge.

Coca-Cola said consumers wanted a larger bottle but that it couldn't be made of glass because it would be too cumbersome.

Marketing strategists promised to set up a collection system as soon as possible and to recycle most of the bottles returned. At the last minute Coca-Cola even held forth the prospect of recycling 80 per cent of returned bottles.

That, the management proclaimed, was the most far-reaching voluntary commitment ever undertaken by a manufacturer. Herr Töpfer was unimpressed.

Yet he isn't hell-bent on opposing industry in pursuit of his environmental policies — especially as he is a member of the Bonn coalition. He is only prepared to lay down the law when all other means have failed.

The 1986 Waste Disposal Act is, in his view, a cautious regulator within the limits of the social free-market economy.

It provides for a mandatory attempt to reach voluntary agreement, failing which regulations may be imposed, but only with Cabinet approval.

Herr Töpfer says, and his claim rings true, that he has tried and failed to negotiate a voluntary agreement.

He is not opposed to plastic as such. He has even called on the soft drinks industry to develop a refillable plastic bottle. But none yet exists.

He wants to ensure that the existing system of returning empty bottles is not abandoned. It is still, he says, the best means of preventing waste from being produced in the first place.

He has proposed a punitive 50-pfennig compulsory deposit on plastic bottles to make a return to the carefree and irresponsible days of no deposit, no return as expensive as possible.

Social Democratic and Green critics doubt whether this deposit is enough. They feel absolute priority must be given to reusable glass bottles and are opposed, as a matter of principle, to a new system that will impose a heavier burden on the waste disposal system.

A compulsory deposit on plastic bottles is not enough, they say. They want to see them banned entirely.

Herr Töpfer is hard-pressed from both sides, by industrial and by political critics. But as the middle-of-the-road and common-sense man he feels himself to be, this state of affairs does not upset him unduly.

He is a staunch supporter of the free-market economy and sees himself as acting in strict accordance with European Community guidelines.

He has no fears of Coca-Cola taking its case to the European Court of Justice. He says he isn't thinking in terms of a ban yet isn't prepared to rule one out — presumably a finer tactical point.

Klaus Töpfer v. Coca-Cola looks like being an attractive bout. Herr Töpfer sounds confident of success, feeling sure of public support and, no less importantly, of Chancellor Kohl's backing at least on this issue.

He has no intention of creating the impression that he plans consistently to give ecological aspects preference over industrial considerations. He is far too realistic to have any such idea in mind.

He has expressly noted that industry must grow accustomed to paying greater heed to environmental considerations, but in his view the latest move against Coca-Cola and others must be the exception, not the rule.

He also notes that he recently persuaded battery manufacturers to agree to largely voluntary terms. They have undertaken to reduce substantially the amount of toxic substances used in dry cells, to take back used batteries and to recycle them. He is still confident that voluntary agreements will prevail in environmental protection. That certainly isn't the wrong approach.

What one wonders is whether the realisation that something needs to be done, a realisation that definitely exists to some degree, is sufficiently widespread in industry.

Coca-Cola has sounded a clarion call by proposing to launch a larger non-returnable plastic bottle. As a clarion call it was surely a mistake.

But in political terms Herr Töpfer can only claim to have achieved his objective once manufacturers — and not just soft drinks manufacturers — all decide not to attempt any further test of his mettle.

Wolfgang Borgmann

(Stuttgarter Zeitung, 14 September 1988)

■ THE HUMAN MIND

Intellect more a matter of perspiration than inherited inspiration, tests show

Genius is merely a significant tendency toward patience, as a French aphorism has it. Empirical psychology has come to much the same conclusion.

Perseverance and motivation are more important than extremes of talent for feats of intellectual achievement.

Psychologists have abandoned the view that top-flight intellectual accomplishments are mainly due to hereditary aptitude or talent, particularly a high IQ.

This change of mind is outlined by Wolfgang Schneider of the Max Planck Psychological Research Institute, Munich, writing in the 3/88 issue of *Psychologie in Erziehung und Unterricht*.

This longstanding view was hard hit decades ago by the findings of a long-term survey of 1,500 high-IQ (135+) children in the United States.

Many of them proved above average in their success in later life, but many others fell far short of the expectations that had originally been placed in them.

In subsequent surveys assessments of school or student achievement were found to have little or no bearing on career performance.

Talent at school and talent at work are poles apart, Schneider says.

This being so, research scientists are increasingly working on the assumption that "genius" calls not just for what must be presumed to be a hereditary, intellectual, cognitive talent.

Süddeutsche Zeitung

A creative impulse and a degree of motivation, stamina and determination to succeed are also needed.

This viewpoint is supported for one by an analysis of the lives of 64 outstanding scientists. Most, if by no means all of them, boasted above-average intelligence, Schneider says.

But a particularly important feature they all shared was that they became keen scientists after initial successes that made them virtually dedicate their lives enthusiastically and persistently to scientific research.

Schneider feels this means not only that motivation is of fundamental importance for top-flight intellectual performance. All concerned may be assumed, by virtue of their zeal, to have come by an enormous amount of specialised knowledge and routine in a strictly limited period.

This specialised knowledge is now seen as the motive force for major feats of intellectual accomplishment.

Its effect has been studied in chess grandmasters, for instance, who have been found to solve chess problems four times faster than beginners.

They neither employed unusual search strategies nor appeared to work out an unusual number of moves in advance. Their forte was an ability to make a mental note of positions on the board in next to no time.

Chess experts have been found to have a repertoire of roughly 50,000 positions they can put to immediate use when the need arises, whereas good club players can only memorise about 1,000.

The chess "greats" evidently memorise them in chunks. They memorise larger and larger chunks for future reference, making it easier to learn more.

Where beginners have to work their short-term memories flat-out, experts have no difficulty in deploying their stockpile of positional play "chunks."

Beginners also piece "chunks" together, but their chunks tend to consist of far fewer pieces. The greater ability to recognise chess "patterns" is what enables master-players to beat several weaker opponents simultaneously.

How important chunk creation is among experts is shown by a comparison between experienced 10-year-old chess players and adult newcomers to the game.

The experienced youngsters were far superior to older newcomers when it came to memorising positional play, but not where memorising chess problems was concerned.

Accrued specialised knowledge, Schneider says, can even offset the lack of special talent — up to a point.

He arrived at this conclusion from a research project of his own in which he asked third- to seventh-grade schoolchildren questions testing their football memories.

They include both children who were keen on football and others who had no interest in the game. Half were good learners (measured in terms of IQ and school ratings), half poor learners.

Yet the best memories were those of football "experts" — regardless whether they were good or bad learners.

Latest findings indicate that top-flight accomplishments in sectors as varied as chess, music or scientific research depend first and foremost on the accumulation of unusual knowledge, Schneider writes.

When one bears in mind that a chess player must study the game intensively for at least 50,000 hours before attaining expert status it is obvious how important motivational factors such as stamina, self-control and determination to win must be.

Yet genius also seems to call for both the proverbial 99 per cent of perspiration and an indispensable one per cent of inspiration.

Specialised knowledge — know-how — may be extremely important but it seems only to bear fruit when the person concerned has at least above-average ability.

"The formula that individual differences in intelligence are of no importance, but only from a certain level of cognitive ability, is more likely to be in keeping with reality," Schneider writes.

So he sees talented children as being best suited for building mountains of knowledge to effect. Encouraging talented children must concentrate more on boosting motivational forces, such as stamina and commitment.

Talented children often feel too few demands are made of them in ordinary school situations; their willingness to work may decline as a result.

They must be offered genuine challenges that call for hard work if they are to be handled successfully — and could well defy solution.

Rolf Degen

(Süddeutsche Zeitung, Munich, 8 September 1988)

Over-ambitious parents 'likely to ruin bright child's ability'

Parents, psychologists and teachers often interpret certain quirks of behaviour and listlessness at school as signs of children being extremely gifted.

In reality only about 20 per cent of children are gifted — defined as a combination of intellectual flexibility, an extremely good memory, originality and an IQ of over 130.

This figure is one of the findings of two-year trials carried out by the advice centre of the German Society for the Gifted Child in Hamburg.

Children were comprehensively tested to diagnose their intellectual abilities and propensities. Twenty per cent



were classified as gifted, a further 39 per cent as specially talented in special sectors, such as languages or maths.

The Hamburg project, headed by Dr Marianne Kalinowsky-Czech, was a pilot project with financial backing from the Federal Ministry of Education and Science.

Over two out of three parents notice their children's special talent before they are five. But there are no strictly scientific tests of gifted under-fives.

The Hamburg advice centre feels gifted children ought not to be given special encouragement before attending primary school, and preferably not until going on to secondary school.

Individual advice and decisions are required on whether gifted children are best encouraged by skipping a class or by enrichment of lessons and leisure activities.

The centre's findings indicate that exaggerated educational ambition on a child's behalf from pre-school age may jeopardise in the long term the child's innate ability and motivation.

The Hamburg findings cannot, perhaps, be generalised as representing a statistical cross-section of children, but individual cases were studied so intensively that results were typical and of general importance.

This was the conclusion reached by Bonn Education Minister Jürgen W. Möllemann, commenting on the published findings.

A project begun in Munich earlier this year could well provide a meaningful addition to the Hamburg findings. It will deal with the development of an advisory and promotional service for young people who are particularly creative in technology.

deutscher forschungsdienst

(Saarbrücker Zeitung, 25 August 1988)

■ SOCIETY

Mincing steps in the Blankenese Polonaise, but no mincing words

More than 30,000 people, 70 per cent women, belong to the 200 branches of the Grey Panthers, a pressure group set up in 1975 to help old people fight for rights for themselves. It was founded by Helmut and Trudy Unruh and 177 others. Esther Knorr-Anders went to the Panthers' Culture Centre in Oberbarmen, Wuppertal, and reports for the Hamburg weekly, *Die Zeit*.

A six-foot man with dark glasses and a grey beard was the sole figure on the station concourse. It was Helmut Unruh, the first of many Grey Panthers I was to meet.

We got into his car and drove to Oberbarmen. The road followed the River Wupper for a while. From time to time a train on Wuppertal's famous overhead railway went by.

We arrived at the Grey Panther Culture Centre at Oberbarmen, a building surrounded by trees.

I was greeted by Trude Unruh, the movement's first chairwoman. She has curly, blonde hair, an open expression and a firm hand grip.

She has no time for small talk and regards herself as a "campaigner against political cynicism and official obscurantism."

The building was full of people for the regular Wednesday afternoon meeting. These meetings are open to members and non-members alike. Many Grey Panthers from branches in other cities come to Wuppertal for them.

There was much discussion and no-one minced words; but it wasn't all hard work — there was dancing and laughter as well.

If I were a member of the Bundestag, party would not matter, I would be scared thinking about where I would be in the year 2000.

Elderly people, as an independent voting sector of society, could fundamentally affect the political balance of power with their increasing influence.

Frau Unruh, with husband Helmut and 177 others, founded the Grey Panthr movement 13 years ago. The Panthers are not all old and grey. Some are young.

Panthers are untiringly active in social affairs, whether young or old, rich or poor.

They stage demonstrations in cities where scandals about old people's and nursing homes have hit the headlines.

They have taken up the cudgels for pensions for the *Trümmerfrauen*, the women who cleared away rubble after bombing raids in the last war. There are no pensions for these women.

Six years ago the Greens were the only party to commit themselves to representing Grey Panther pension reforms in the Bundestag.

In doing this they demonstrated farsightedness, for by the year 2000 about 25 per cent of the population will be over 65, representing a formidable political power group in society.

The Greens quickly arranged for the up-to-then non-party Trude Unruh to take a seat in the Greens faction in the Bundestag.

A choir prepared to sing a prelude to the opening of the afternoon meeting. Hedi Kepper conducted one of her own compositions with her own words about taxes, debts and the salaries of elected representatives with spirit. What the Panthers sing must have an echo in the corridors of power in Bonn and every state parliament.

Finally guests from Aachen addressed the meeting. They reported about conditions in old people's and nursing homes and on pilot schemes for alternative housing and mutual assistance neighbourhood projects.

Once more the point was made that men and women did not worry so much about an inadequate pension as about residence in a home, anxiety about being locked away in barrack-like accommodation, being patronised and losing their identity. These points are constantly being raised.

There is also, of course, the fear of lying in a nursing home to die alone.

The Grey Panthers try to acquire housing, to rent apartments and, an ultimate goal, set up community villages where members can spend the rest of their lives.

A sociology student got up and he was offered the microphone. His very first words might have caused consternation among his audience. Nothing of the sort. The Grey Panthers listened calmly.

Their amused smiles should have been a warning to the 23-year-old man. He said that he knew old people who would not even once get the breakfast coffee ready for themselves. He said that they should get used to doing so.

"From early morning onwards they wanted to be given attention, while they just shuffled about," he said. He imitated the way the infirm walked.

The Panthers laughed. Perhaps they were weighing up just how long a dissembling demagogue would need to convince such a young man that the state should kill off people over 60.

The succeeding generation would be relieved of tiresome duties. The young would be able to go their own way unimpeded.

Frau Unruh took on the zealot. She politely but firmly ticked him off, telling him that he was caught up in his own egocentricity and was astonishingly ill-informed.

The afternoon meeting ended with the choir singing the song of the *Trümmerfrauen*: "Impoverishing old people is nasty and mean…"

DIE ZEIT

Four women sat at the Culture Centre bar until midnight that evening. They were doing what men are in the habit of doing, toying with ideas and giving thought to setting up a political party, "Die Deutsche Alten- und Jugendpartei," (the German Old and Young People's Party).

It would bring the generations together. It could be relied upon absolutely in dealing with funds entrusted to its keeping. It would not help people to get personnaly rich. The goal would be social security for everyone so that people could live lives without anxiety.

On other days I had talks at the Culture Centre with people with varying responsibilities in the movement.

I asked them how they came to join the Grey Panthers? I asked why they took on responsibilities that could eat up more than eight hours a day? Walter Ebenfeld said that he was attracted to the movement because of the wide influence it had and because of the satisfaction in solving problem case and helping sort out difficulties with government departments. Ebenfeld is a lawyer and educationalist. While he was still studying, he looked after his sick mother for the last three years of her life. He became interested in the Grey Panthers after reading Frau Unruh's book, *Aufruf zur Rebellion*, published by Klartext Verlag in Essen. He joined. His special responsibilities include medical care, guardianship and ward-of-court orders.



Pensioner power. Trude Unruh and fellow Panthers. (Photo: Gotz Linzenmeier)

There are 3,000 cases a year where old or infirm people are judged incapable of looking after their own affairs and are made wards of court. People must know what they can do to halt this process — often the instigators are relatives who stand to gain financially. Ebenfeld heads an advisory committee.

Max Meisen, a qualified landscape gardener, is the Grey Panthers' pension adviser. He joined because he was "politically bored" after he left a political party of which he had been a member for many years.

Lisette Milde, originally a costume designer, began to think early on about the future of old people because she had experienced the problem within her own family. The Grey Panthers elected her to be the second national chairwoman.

She wrote *Mütter*, also published by Klartext Verlag, which is highly critical of traditional approaches to old age.

Tutto Hecken, a former bookseller, also read Frau Unruh's book and could think of nothing else "but getting to Wuppertal."

She manages the Culture Centre, where 12 old people are living, each with separate accommodation. They can end the rental contract whenever they like, move out or move back in.

All have had periods of loneliness that made their lives almost unbearable.

Gustav Koberstein was a civil servant, When his wife died he moved into his local old people's home. He hoped that he would be able to get over his wife's death among people of his own age. That was a mistake.

He became depressed. A court removed his rights to control his own personal affairs. He had no trust in the male nurse who looked after him.

But he did have confidence in an elderly lady, Grete, who lived in the home.

In the end he wanted to marry Grete, but she was officially informed in writing that she was forbidden to meet Gustav.

The letter said: "You are again requested to have no contacts with Herr Koberstein. Should you also disregard this request, the court feels itself obliged to take action to compel you to meet this request."

Grete and Gustav left the home and put themselves under the protection of the Grey Panthers. They were married in 1982 and given accommodation in the Culture Centre.

The Grey Panthers were able to get him reinstated as competent to look after his own affairs. Only well-versed experts can find their way through the legal jungle to do this.

Gustav, again a widower, intends to remain in the Grey Panthers' accommodation until he dies.

Wilhelm Kwas, a miner, could also not come to terms with widowerhood. Without his wife to talk to he felt himself to be useless.

He went for walks along the Wupper and listened to the overhead railway rumbling past. He said to himself that there were people in the train who had an aim in life. He had none.

One day he went to the Grey Panther Culture Centre, for no particular reason. It just happened to be on his way.

He did not like the garden. He asked if he could do something about it. He got talking. Someone said to him: "Stay with us. There is an apartment going."

He lived in the house a year and got to know Hedi there, a lively lady. They have just got married. Wilhelm Kwas invited me to the marriage celebration.

Tutto Hecken, dressed in purple from head to foot, was in charge of the arrangements. Sekt corks popped. About 100 people turned up, filling the main hall. The tables were set in white, white candles and there was a riot of white flowers.

The married couple came in. People crowded round them and wished them well. Helmut Unruh made the wedding speech. He was listened to with everyone standing round.

The newly-weds saw it through hand in hand. Gustav, 75, wore a grey suit with a flower in his button-hole. Grete, 65, wore a dark-blue evening dress. They

Continued on page 15

■ SPORT

Once upon a time there was Little Mo, Rod the Rocket and Steffi

Steffi Graf is only the third woman to win the tennis Grand Slam, which comprises the Australian, French, Wimbledon and United States titles. The others were an Australian, Margaret Smith (later Court), in 1970; and an American, the late Maureen (Little Mo) Connolly, in 1953. Only two men have done it, an American, Donald Budge, in 1938; and an Australian, Rod Laver. Laver, not nick-named The Rocket for nothing, did it twice, in 1962 and 1969. Martina Navratilova did not even do it. She won all championships, but not in a calendar year. With Fräulein Graf's win in the American Open at Flushing Meadow this month (she beat Gabriela Sabatini, of Argentina, in the final 6-3, 3-6, 6-1) she stamped her mark on world tennis and, at the same time, confirmed the end of the reign of Navratilova at the top of the women's game. In this article for *Rheinischer Merkur/Christ und Welt*, Claus Geissmar looks at Steffi Graf's background, the importance of her close family environment and, in particular, the role of her father, tennis coach Peter Graf. Geissmar, who has been reporting international tennis for 20 years, also looks at Germany's other tennis Wunderkind, Boris Becker, and how he has been affected by success and money; and he draws some conclusions for Graf.

It was a small telephone box in the centre court building at Wimbledon. There we stood, jammed close together, intending to telephone an interview back to Germany.

Little Steffi beamed up at me from a long way below and said: "You can say 'du' (the familiar form of address) to me." She had just celebrated her 15th birthday but felt more 14 than 15. But even then (1984) she managed to reach the last 16.

It was an episode that stands out in my 20 years of reporting Wimbledon for its friendliness.

From the little figure of that day, a sporting personality has emerged who deserves more than respect. The completion of the Grand Slam at Flushing meadow in New York has etched her name into the annals of tennis history.

I still call her "Steffi" but have long since reverted to using "Sie" (the formal mode of address). That is appropriate for a young lady who, at a mere 19 years, has done what no other German (and not many others, either) has done.

Steffi Gr[illegible] wide domination of women's tennis has been planned to an extraordinary degree. That is why the clamour has not been as sensational this year as in 1985 when Boris Becker won his first Wimbledon title at the age of 17 in a Sturm-und-Drang performance that shattered both plans and predictions.

(Interestingly enough, the American player Johan Kriek did predict it. He said after being beaten by Becker at Queens in a pre-Wimbledon tournament that Becker would win the Wimbledon title. When someone asked how many years it would take, Kriek said: "The way he's playing, he'll win it this year." - Ed).

With Steffi Graf, it is different. Everything has been more predictable. Her Flushing Meadow success followed the Australian, French and Wimbledon titles, making her the first women since Margaret Smith (as she then was) in 1970 to win the Grand Slam and only the third ever (Mo Connolly did it in 1953.)

How did it happen? How is it that first, a 17-year-old from Germany becomes the youngest winner of the Wimbledon men's title? And then a 19-year-old girl emerges to win the Grand Slam? Is there a secret for producing tennis champions in the Federal Republic of Germany?

The answer amazes many of my foreign colleagues. It is no. Boris Becker and Steffi Graf are exceptional people who have not been produced through any "system".

The German tennis federation does have training centres at *Land* level, and both Becker and Graf both were coached there earlier in their careers. But their successes cannot be put down to that.

Becker's Wimbledon wins of 1985 and 1986 was based on the deep relationship he had with trainer Günther Bosch and the fact that Bosch was able to develop Becker's extraordinary talents.

The relationship did not merely involve spending the daylight hours being taught forehands and backhands and volleys and smashes. It also involved the coach taking part in pillow fights with a growing 15-, 16- and then 17- year-old in the evenings.

The seeds of Graf's Grand Slam contain a comparable human factor — her father, Peter Graf.

Top sportsmen and women are hypersensitive people. Only when the excess of this sensitivity is anchored in secure human terms are they able to bring all their concentration to bear on using their talent and produce the goods. This means for people as young as 16 and 17 a firm relationship.

Stories about Steffi's sheepdogs, Max and Enzo; about her boxer, Ben; or about her enthusiasm for the songs of Bruce Springsteen are peripheral, a small part of the important whole, which is the family environment.

A few years ago, Peter Graf was a man fighting to accelerate the rise of his teenage daughter; he was a difficult man for outsiders to get on with. But since Steffi has begun following one success with another, Herr Graf has become more equable. His great quality now is that his readiness he to let his daughter take time off from tennis, to miss the occasional tournament. Instead of giving in to the ever-present temptation to pick up 100,000 dollars here and another 100,000 dollars there, he lets her put her feet up — the result is that she maintain her enthusiasm and he can count the millions.



Anyone (remaining) for tennis? Steffi Graf at Flushing Meadow. (Photo: dpa)

Becker long ago became a millionaire several times over as well. But, since his first Wimbledon win in 1985, he has become a different person. He has grown up. He seeks feminine company.

Becker's friendship with Bosch broke up when Benedicte Courtin drifted on to the scene as Boris's first serious girlfriend. Becker, who until this point only thought about winning this match and getting on with the next one, suddenly needed to express his mental and physical energies in a totally different direction. Two hearts were beating inside the same breast.

The immediate result was that his performances declined. Obviously, he remains a brilliant player and he still belongs up there with the best of them. He did, after all, reach the Wimbledon final this year again (losing to Stefan Edberg, of Sweden).

The Wimbledon Centre Court, the scene of his two great triumphs, instinctively stirred the old feelings in Becker: "I had forgotten how what a good smell freshly cut grass has," he said as he once more stood on the green sward.

He feels most at home here; and his sense of smell only confirmed it (most tournaments are played on artificial surfaces or clay).

Becker's game is best-suited to the grass, which is faster than other surfaces — the big service, for example. But technique alone is not enough if the mood is not right. Becker has been successful and he has become rich. So why shouldn't he visit a disco? After all, the Wimbledon grass will again smell good next year. Why should he flay himself with blistered feet on the hard surface of Flushing Meadow? Even Bjorn Borg did not win a United States Open there, but he still won Wimbledon five times.

This is roughly what is running through Boris Becker's mind, but he cannot admit it publicly because of the outcry it would cause. The separation from Bosch, the flight to the tax haven in Monte Carlo, his avoidance of call-up into the armed forces, his absence from the Olympics (injured foot) … he doesn't want to say, on top of this: "Apart from Wimbledon, I couldn't care any more."

That, then, is the internal conflict which Becker (and the German sporting public) have to live with. But, with Graf, it is much different.

Bosch, then official German tennis association coach, remembers the 10-year-old when she came to the tennis centre in Hanover.

Bosch: "One thing in particular made her stand out. When we had played all the balls, she ran to the bucket so she could collect them all again quickly. She just couldn't wait to play again."

It hasn't changed. Today she is the same, it doesn't matter whether it's the first round at Amelia Island or the final at Flushing Meadow.

When the umpire calls "time", she is already waiting on the baseline while her opponent is still getting up from her stool at the side of the court. She is as hungry for success as ever despite the money and the success. Her official tournament winnings now top three million dollars; to that can be added more millions in advertising sponsorship fees.

But even Graf is not spared from the inevitable course of existence: life goes on, today's familiar domestic environment will change. It is to be hoped that sometime, other people will become important to her; and it is to be hoped both for her sake and her parents' that the transformation will be free of conflict. Because that is the key to her continued success.

The same hopes apply to Becker. He needs first to be honest with himself. He has the chance because he is, after all, only 17 months older than Graf — he will be 21 on 22 November.

And who is not prepared to concede that a 21-year-old should be allowed to alter his life yet again? *Claus Geissmar*

(Rheinischer Merkur/Christ und Welt, Bonn, 16 September 1988)

The Blankenese Polonaise

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both had mischievous smiles on their faces.

Allegedly this was a marriage for pension reasons. Wilhelm wanted to provide for Hedi. But there was no reason for giving too much credence to this, for the two held hands tightly too long.

An hour after everyone had eaten the celebration really got under way. Old and young Panthers put on cabaret acts.

Then all hell broke lose with the Blankenese Polonaise. It is the last conservative dance, so to speak. Discos are now the order of the day. The dancing went on uninterrupted until midnight.

At midnight there was a flourish and birthday greetings for a lady who was 81. The sekt corks popped once more. Trude Unruh was delighted that a marriage and a birthday were being celebrated on the same evening.

Husband Helmut served the drinks. Obviously upset he pointed out that half a barrel of ale had leaked away. He said: "The inner pipe did not work, but the half barrel remaining, friends, is ready to be pulled."

There was thunderous applause and then quiet for the last cabaret act.

Friedel Rank walked on the stage. He lifted up his raincoat. Underneath he was wearing the clothes of a prostitute. He began to sing a popular song of the Berlin poor quarters of the 1920s.

Esther Knorr-Anders

(Die Zeit, Hamburg, 9 September 1988)